



Customer Willingness to Pay

Barwon Water

Research Report

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27th May 2022

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CUSTOMER WILLINGNESS TO PAY RESEARCH - REPORT

Dear Kate,

Enclosed is the report on the Barwon Water customer willingness to pay research ("The Services").

This report has been prepared in accordance with the terms and conditions found in the proposal dated the 6th September 2021.

Please contact Jo, Catherine or myself if you have any questions regarding this report.

Yours sincerely



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EY Sweeney is accredited under the International Standard, ISO 20252.

All aspects of this study have been completed in accordance with the requirements of that scheme.

Also please note that EY Sweeney's liability is limited by a scheme approved under professional standards legislation. A copy of the scheme can be obtained from us upon request.



Executive summary



Report disclaimer

Our Report may be relied upon by Barwon Water for the purpose set out in the scope section/proposal only pursuant to the terms of our engagement letter dated 6th September 2021.. We disclaim all responsibility to any other party for any loss or liability that the other party may suffer or incur arising from or relating to or in any way connected with the contents of our report, the provision of our report to the other party or the reliance upon our report by the other party.

Introduction to the research

Barwon Water engaged EY Sweeney to conduct primary research to assist with the development of its five-year price submission. This research provides an overview of what the community values most in terms of water and sewerage services and expectations in the future, as well as how willing customers are to pay for innovative services and changes that are more environmentally friendly and sustainable.

The study involved two core phases:

- **Quantitative research:** With residential and business customers to understand current customer willingness to pay.
- **Qualitative focus groups and in-depth interviews:** Designed to provide a comprehensive exploration into current customer perceptions of Barwon Water's service levels and deep dives into outcome areas.

This research report details the insights gathered from both the quantitative and qualitative research phases.

A detailed description of the methodology can be found in Appendix 1.



QUANTITATIVE RESEARCH

- ▶ 1,603 online surveys conducted with residential customers
- ▶ 80 online/CATI surveys conducted with business customers



QUALITATIVE RESEARCH

- ▶ 5 focus groups with the community
- ▶ 1 focus group with small businesses
- ▶ 4 in-depth interviews with large business customers

The below icons have been used throughout the report to identify the residential and business customer cohort where relevant.



Residential



Business

Key insights



Overall support for the work undertaken by Barwon Water and the future direction

Throughout the research findings, there is a strong level of support for Barwon Water in the work that is being undertaken and proposed. Customers see the importance in where the focus is, recognising the diverse areas Barwon Water needs to play in.

Long-term supply surety and short-term responsiveness is critical

Customers place water supply as the paramount activity of Barwon Water. Overall, their key responsibility is to maintain supply above all else, and if issues do arise, response and restoration times should be kept to a minimum.



Both response and restoration times are ranked highest within the top three service standards tested within the research.



The role digital technology can play is supported (for instance most would like a digital water meter and many are prepared to contribute to their cost).



Customers are willing to pay the most for water recycling.



77% consider water restrictions acceptable. Would accept no lawn watering and only being able to water their garden 2 hours in the morning and at night.

Opportunities to further strengthen Barwon Water's reputation exist

Support for additional investment in customer engagement means there has been an absence of issues with the water supply, building confidence and trust in the organisation. Not having to think about whether the taps will turn on, or worrying that drains might overflow, all reinforces trust in Barwon Water.

Community presence, education and communications are key to remain relevant. Being visible at community events, supporting education programs for children at schools, educating the public on water saving initiatives, all have a part to play.



Customers want to know more about Barwon Water's work, without being overwhelmed (e.g. how additional investment is being spent).



There is an opportunity to 'celebrate the wins' (e.g. progress towards net zero by 2030).



Customers want to know the steps they can take to make a personal impact through behaviour change, while Barwon Water can communicate the collective benefit (e.g. how much it is reducing water wastage in the region).

Limited appetite for fully optimising the customer experience with other priorities prevailing

As customers typically have little ongoing need to have direct contact with Barwon Water, there is limited support for investing heavily in maximising the customer experience to the highest level.

The chart overleaf shows the extent of customers' support for investment in a range of areas and the average amount they are willing to pay on their bills.



The majority of customers are unwilling to pay anything for further customer experience enhancement.

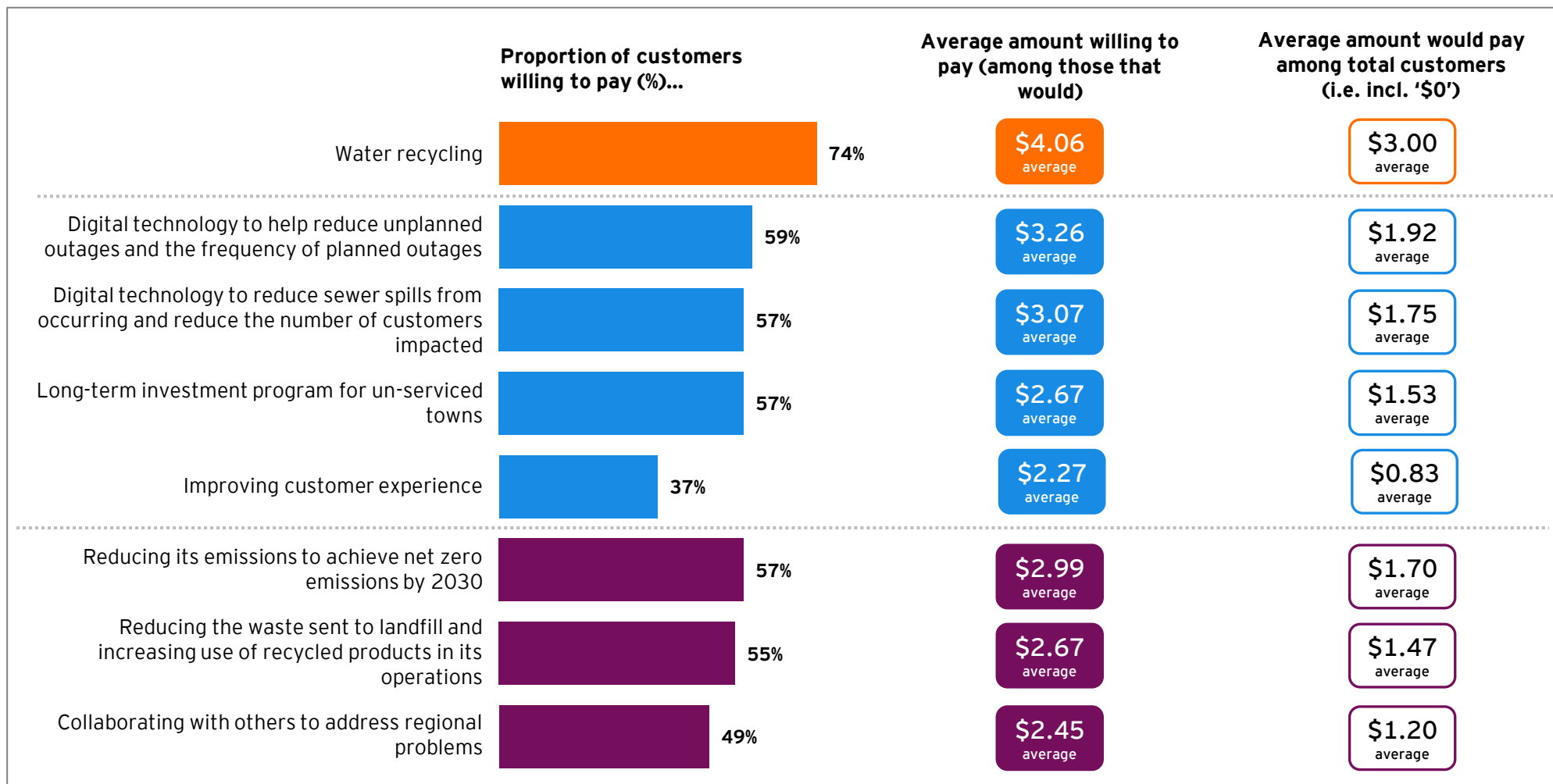


Investments with environmental benefit and investing in un-serviced towns attract greater support.

Customers' willingness to pay by investment type

Barwon Water presented a number initiatives to customers that are proposed to be undertaken over the coming five years. Each initiatives has been aligned to outcomes customers told Barwon Water were important to them.

- ▶ All customers were asked how much (if at all) they were willing to pay for each initiative.
- ▶ The minimum range permitted was \$0 (not willing to pay) and the maximum amount permitted was \$5 (\$1 - \$5 are customers willing to pay).



■ Outcome 1: Safe, secure, sustainable water
 ■ Outcome 2: Innovate and reliable services
 ■ Outcome 3: Healthier environment

Note: Outcome 4 did not test any initiative/s for additional fee

Theme summaries



1 Water security



Water security priorities

Total % important (fairly/very important)



98%

Ensure there is enough water to meet all our needs



97%

Collaborate to enhance waterway and catchment health



97%

Facilitate smarter water use in the system and community



Program priorities

70%

New water saving technology research

63%

Plumbing programs to help fix leaks

63%

Programs to support changed water behaviour

Water restrictions



88%

Support Barwon Water enforcing water restrictions when it's dry



77%

Would accept no lawn watering and only being able to water their garden 2 hours in the morning and at night



55%

Water restrictions are most appropriate when reservoirs are low

Top 3 investment priorities by customer type



Residential

	Total % willing to pay	\$ willing to pay average	\$ of all customers average
Water recycling	73%	\$4.11	\$3.02
Digital technology to help reduce unplanned outages	58%	\$3.23	\$1.87
Digital technology to reduce sewer spills	56%	\$3.04	\$1.71



Business

Water recycling	80%	\$3.60	\$2.88
Achieve net zero emissions by 2030	70%	\$3.21	\$2.26
Digital technology to help reduce unplanned outages	69%	\$3.64	\$2.50

Service standard importance



58%

Response time



54%

Restoration time



45%

Frequency (reduce frequency of interruptions or spills)



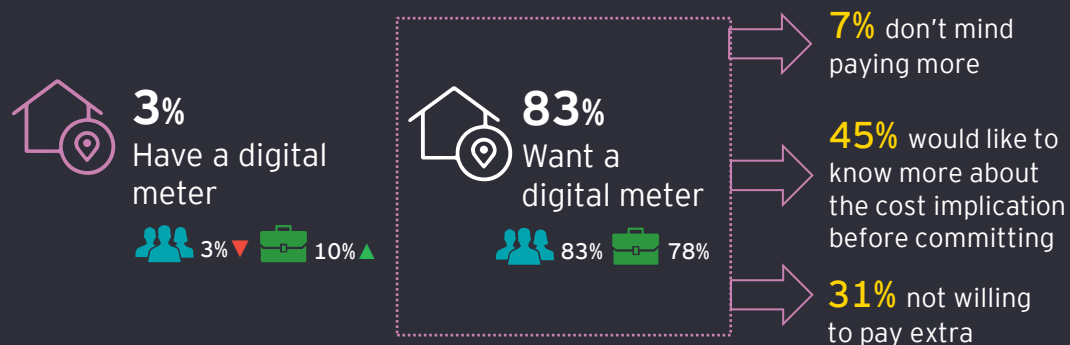
42%

Duration (reduce duration of interruptions / maintenance work)

2 Digital meters and other digital technology



Customer support for digital meters

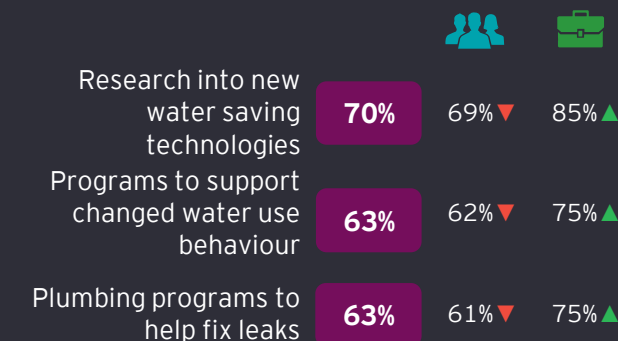


Twice as many expect to pay an extra fee for digital meters than expect Barwon Water would fund

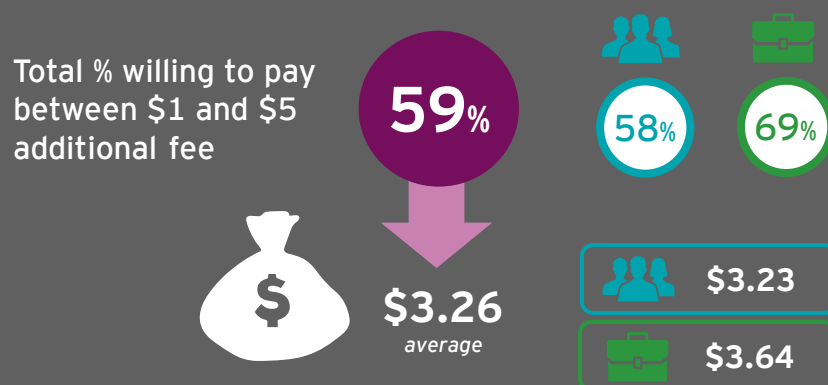


Support for water saving initiatives

Total % important (fairly/very important)

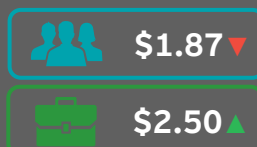


Investment in digital technology to reduce unplanned outages



Including those not willing to pay an additional fee, this converts to an average additional fee of...

\$1.92
average

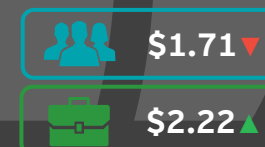


Investment in digital technology to reduce sewer spills



Including those not willing to pay an additional fee, this converts to an average additional fee of...

\$1.75
average



3 Recycled water and sustainability



Sustainable water supply priorities

Total % important (fairly/very important)



98%

Ensure there is enough water to meet all of our needs



94%

Encourage greater use of climate-independent water sources (like recycled water)

Perception of current recycled water investment



21%



46%



2%

30% Don't know

Investment in water recycling

Total % willing to pay between \$1 and \$5 additional fee

74%



\$4.06
average



73%



\$4.11 ▲



80%



\$3.60 ▼

Including those not willing to pay an additional fee, this converts to an average additional fee of...

\$3.00
average



\$3.02



\$2.88

Investment in reducing waste and increasing recycled products

Total % willing to pay between \$1 and \$5 additional fee

55%



\$2.67
average



54%



\$2.62 ▼



66%



\$3.19 ▲

Including those not willing to pay an additional fee, this converts to an average additional fee of...

\$1.47
average



\$1.41 ▼



\$2.09 ▲

*NB: This figure is also present on slide 13

4 Vulnerable customers, fairness and affordability



Customer priorities

Total % important (fairly/very important)



97%

Charges are designed and applied fairly



96%

Prudent management of expenditure while delivering on our commitments



95%

Care for customers who need support



92%

Generate savings and new profit through innovation

Sentiment towards proposed tenant rebate changes

The 2018 change in pricing structure resulted in decreased fixed water charges and increased water usage charges. Renters' bills increased as a result. Customers were asked their support for a \$31 rebate per year for renters to manage the change.



Support the change



Have no preference



Oppose the change



9% Don't know

Investment to improve the customer experience

Total % willing to pay between \$1 and \$5 additional fee

37%



36%



43%



\$2.27
average



\$2.23 ▼



\$2.73 ▲

Including those not willing to pay an additional fee, this converts to an average additional fee of...

\$0.83
average



\$0.80



\$1.17

5 Work in the community and un-serviced towns



Customer community priorities

Total % important (fairly/very important)



93%

Prioritise the safety of our people and the community



91%

Communicate, educate, engage, collaborate and partner with our customers and community



90%

Remove barriers to enable customer access to services and support their needs



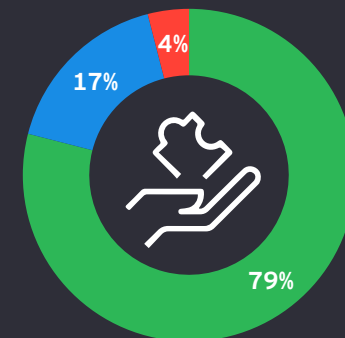
68%

Partner with Traditional Owners

Sentiment towards long-term investment program for un-serviced towns

Barwon Water is looking to implement long-term investment program to improve water and/or sewerage services to existing un-serviced towns in order to support environmental, social and economical benefits for the broader region.

Customers were asked their views.



Support No preference Oppose

Investment to increase services to existing un-serviced towns

Total % willing to pay between \$1 and \$5 additional fee

57%



\$2.67
average



56%



67%



\$2.59 ▼



\$3.44 ▲

Including those not willing to pay an additional fee, this converts to an average additional fee of...

\$1.53
average



\$1.46 ▼



\$2.29 ▲

Investment to collaborate with others to address regional problems

Total % willing to pay between \$1 and \$5 additional fee

49%



\$2.45
average



47%



66%



\$2.36 ▼



\$3.15 ▲

Including those not willing to pay an additional fee, this converts to an average additional fee of...

\$1.20
average



\$1.12 ▼



\$2.08 ▲

6 Zero waste / zero emissions

Customer environmental priorities

Total % important (fairly/very important)



97%

Collaborate to enhance
waterway and catchment
health



87%

Progress towards
zero waste by 2030



82%

Achieve zero net
emissions by 2030

Investment in achieving net zero emissions by 2030

Total % willing to pay
between \$1 and \$5
additional fee

57%



\$2.99
average



56%



\$2.97



70%



\$3.21

Including those not willing to pay an
additional fee, this converts to an
average additional fee of...

\$1.70
average



\$1.65 ▼



\$2.26 ▲

Investment in reducing waste and increasing recycled products

Total % willing to pay
between \$1 and \$5
additional fee

55%



\$2.67
average



54%



\$2.62 ▼



66%



\$3.19 ▲

Including those not willing to pay an
additional fee, this converts to an
average additional fee of...

\$1.47
average



\$1.41 ▼



\$2.09 ▲

*NB: This figure is also present on slide 10

Detailed findings



A guide to reading this report

This report draws on various sources of research.

The main report focuses on the representative findings of the quantitative customer survey, weaving in qualitative insights to help support and provide additional context to the quantitative findings.

The report has been structured around Barwon Water's four service outcomes (further detailed overleaf).

When referring to lifestages or age groups, we have used the following:

Age group	Generation
18 to 34 years	Gen Y/Z
35 to 49 years	Gen X
50 to 64 years	Baby boomers
65+ years	Gen Grey

The below icons have been used throughout the report to identify the residential and business customer cohort where relevant.



Residential



Business

Statistical significance



A green arrows indicates that a particular sub-group is significantly higher at the 95% confidence level compared to other sub-groups



A red arrow indicates that a particular sub-group is significantly lower at the 95% confidence level compared to other sub-groups

Barwon Water service outcomes

In 2017, Barwon Water customers helped develop five key customer outcomes.

Since then, Barwon Water has refined and tested their updated customer outcomes. This market research focuses on the four revised customer outcomes and customer willingness to pay per outcome.

Service outcomes	
Outcome	Barwon Water Outcome Promise
Outcome 1 Safe, secure, sustainable water future	We're committed to: Providing a safe, secure, sustainable water future. What this means: As we face a hotter drier climate, we will support our growing region to be prosperous and sustainable, by securing enough water for all of our needs. We will strengthen water efficiency and gradually shift to climate resilient water sources.
Outcome 2 Innovative and reliable services	We're committed to: Continually improving our services and community experience What this means: By listening to our customers and community, being forward thinking and technologically advanced we will be innovative, continually improving, inclusive, caring and easy to deal with.
Outcome 3 Healthier environment	We're committed to: Protecting and enhancing our natural environment What this means: We will apply a caring for country approach to our land and waterways in partnerships with our Traditional Owners, other agencies and community members. We will strive for zero emissions and generate useful products from what we used to call "waste".
Outcome 4 Affordability, trust and value	We're committed to: Delivering value to our community and supporting our customers' needs What this means: We will seek to understand the diverse needs and values of our customers and community and aim to be a valued and trusted leader; contributing positively to our region. We will actively support customers, keep bills affordable and resolve issues fairly.

Customer value and customer priorities



Water supply aspects vary for customers, but reliability typically foremost important

When customers were asked what came to mind when they think about their water supply, some aspects that came to mind are:

“

RELIABLE SERVICE

Water is always there when I turn the tap on.



One of the first aspects of water supply that customers consider is that it is readily available; at a basic level, the water comes out when they turn on the tap.

This sentiment signifies that customers consider their supply to be reliable and consistent, and not having to think about water can build a sense of trust and positive perceptions of Barwon Water.

“

ENVIRONMENTAL

I remember what we went through during the drought.



When thinking about water supply, older generations recall the national droughts in the 90's and early 00's. This experience drives how they think about water and use water in their home, but also how they think about water for the future. In particular, this group wants:

- ▶ More knowledge of what Barwon Water are doing
- ▶ To understand how they plan to futureproof droughts
- ▶ To understand the current water storage levels.

“

WATER TASTE

It tastes pretty good, I always notice a difference when I go somewhere else.



While there were some mixed views among customers about the taste of water, there is a sense that customers are pleased with their water quality in terms of taste. Any changes in taste, or clarity, can cause concern about the water supply – which can potentially impact their perception of quality.

“

WATER QUALITY

I don't know what is in my water.



A few customers in the qualitative research did raise concerns and questions about the actual water content. In particular, some customers prefer to not drink the water straight out of the tap and instead filter or boil it before drinking. They are looking to understand more about what has been used to treat the water and any potential associated health impacts.

Customer expectations are aligned with Barwon Water's investment areas

Customers were asked what they consider to be the role of their water supplier:

RELIABLE WATER

“Barwon Water just need to keep our water running”

This is considered to be the core responsibility of Barwon Water above all else. It encompasses a focus on as little interruption to water supply as possible.

WATER QUALITY

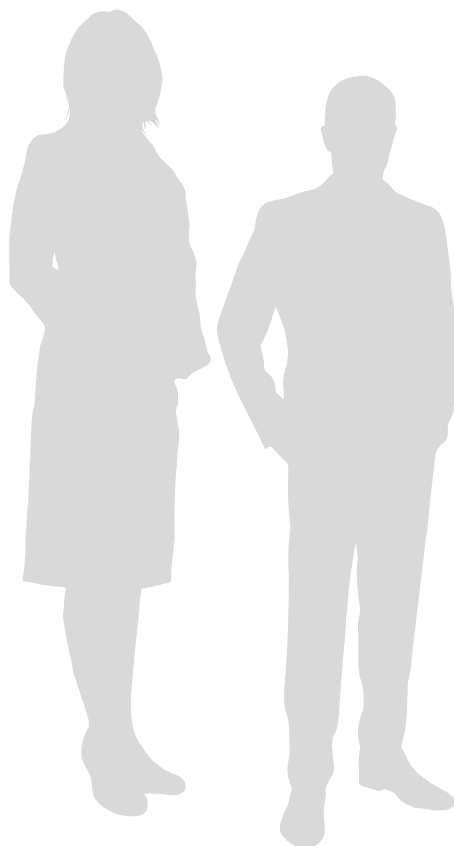
“The water should be clean and safe to drink”

Customers believe that it is Barwon Water's responsibility to ensure the water is clean and safe for customers to drink.

AFFORDABILITY

“Keep prices low”

Customers expect Barwon Water to provide water at reasonable prices, particularly in the context of COVID, where some customers, both residential and businesses, may be struggling.



INFRASTRUCTURE AND MAINTENANCE

“It's their role to upgrade, fix and maintain pipes and systems”

A number of customers commented on Barwon Water's responsibility to maintain, fix and upgrade infrastructure, such as pipes and sewerage systems. Particularly when the fault is not of the customer, such as old cracked pipes.

EDUCATION

“They should be educating us on ways to save water and helping to implement water tanks”

Customers, particularly residential, would like to see Barwon Water help guide and support residential customers save the future for their water in the region. There is potential to consider initiatives to support water tank implementation.

COMMUNICATION

“They should communicate with customers”

With a growing emphasis on taking care of the environment, there is a desire amongst all customers to know more about what Barwon Water is doing in respect of environmental issues.

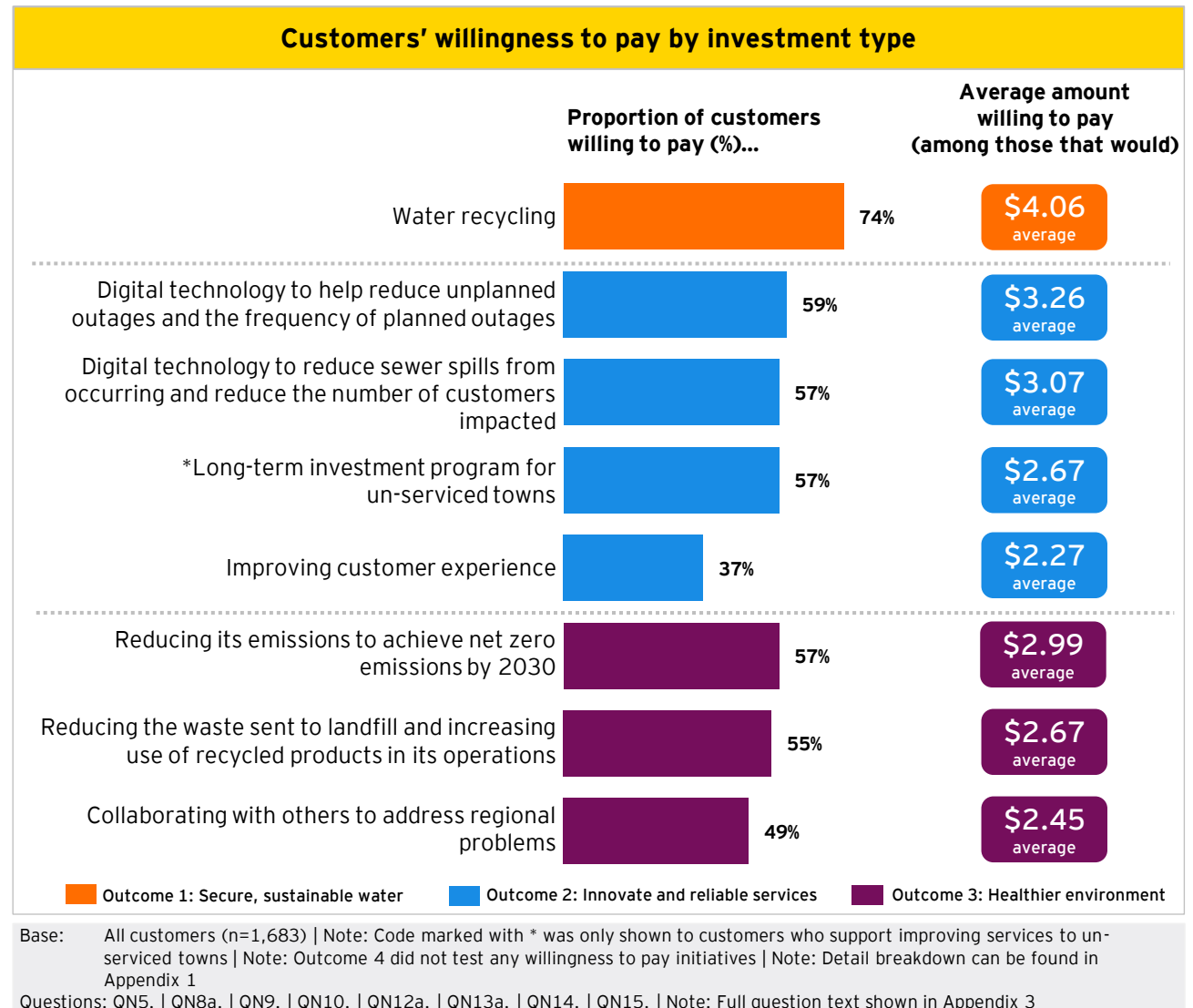
Customers' willingness to pay by investment type - water recycling is #1

Customers were prompted on a number of initiatives Barwon Water are looking to undertake as part of their investment to the region over the next five years.

All customers were asked how much (if at all) they were willing to contribute to each initiative.

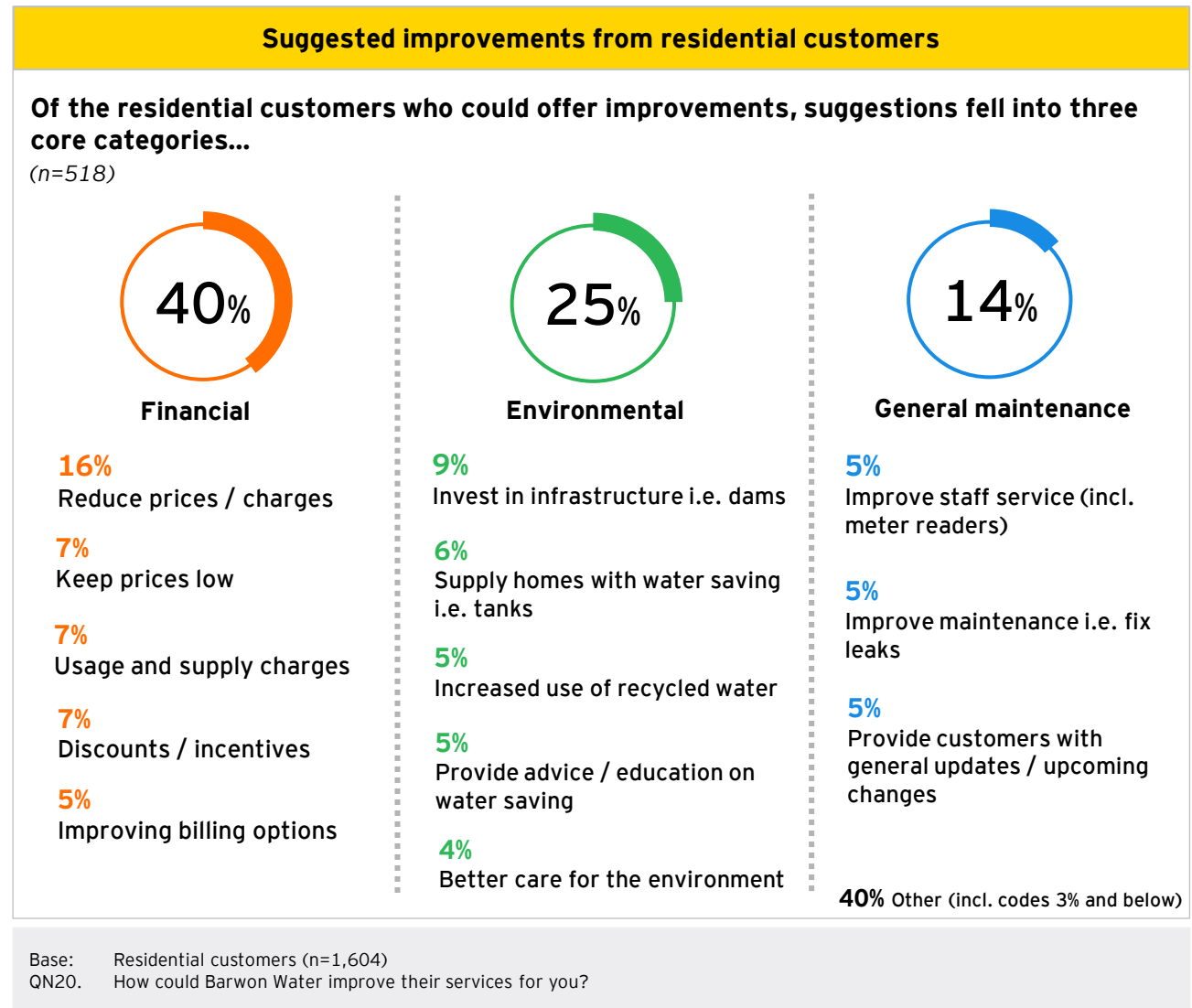
The minimum range permitted was \$0 (not willing to pay) and the maximum amount permitted was \$5 (\$1 - \$5 are customers willing to pay).

- ▶ Overall, with the exception of improving customer experience, at least half of customers are willing to pay an additional \$1 to \$5 for proposed investments.
- ▶ Water recycling yields the greatest level of support with three in four (74%) customers willing to pay between an additional \$1 and \$5 annually for this investment. This equating to an average of \$4.06 annually amongst customers willing to pay.
- ▶ Digital technology to reduce outages and reduce sewer spills are also supported with average incremental willingness to pay above \$3 annually for each of these (among those who are willing to pay).



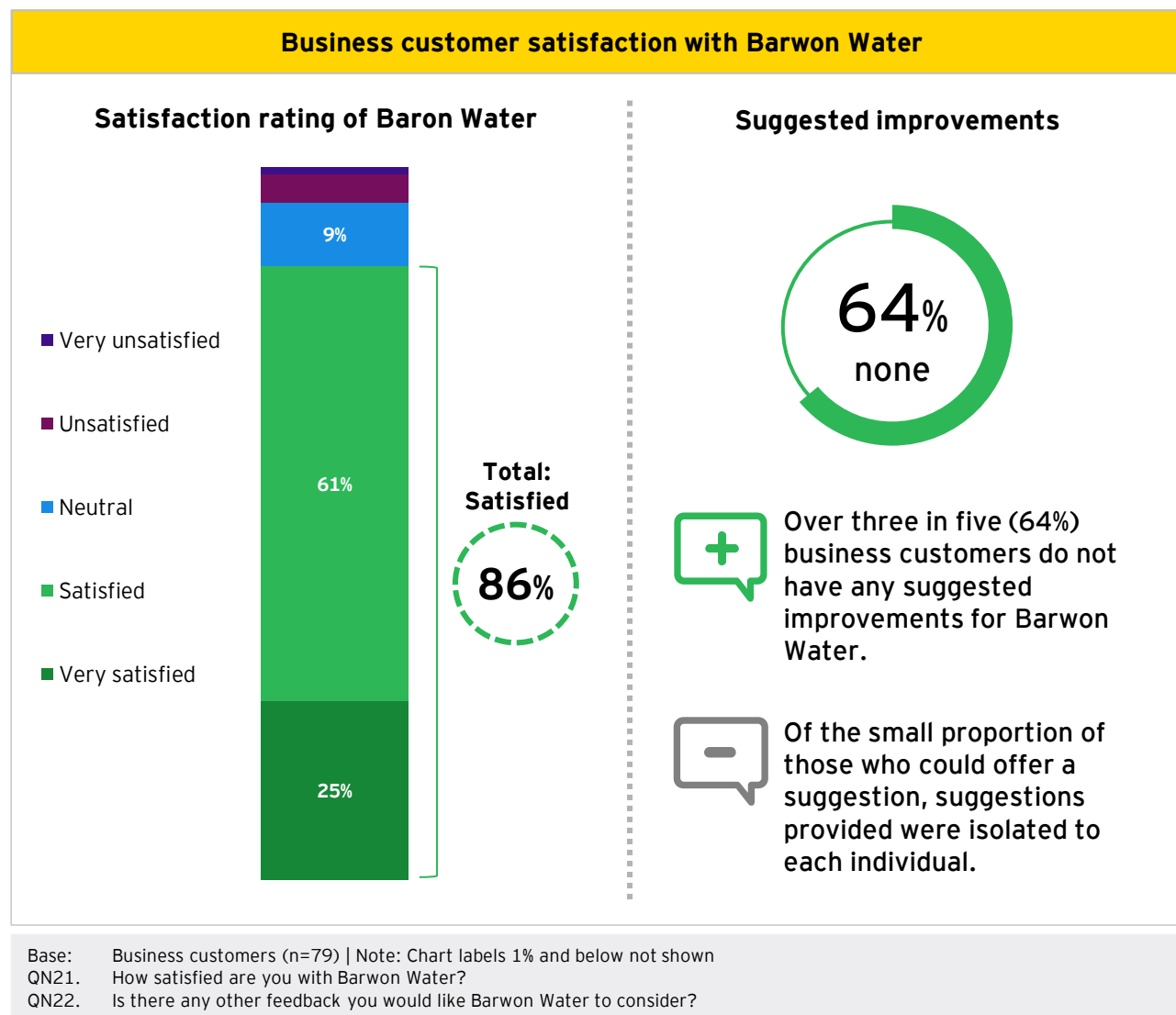
Some suggested improvements from residential customers

- ▶ Encouragingly, the majority (63%) of residential customers had no suggested improvements for Barwon Water.
- ▶ The main suggestions underline the importance of maintaining the reliability of core service delivery (drinking water and sewerage services) at a reasonable cost to the customer. Environmental aspects also feature in the suggestions.
- ▶ However, the majority of suggestions centred around financial improvements (40%), with one in six suggesting to 'reduce prices / charges' (16%).
- ▶ Financial suggestions, at a total level, were more likely to be suggested by Gen X (17%) and Baby Boomers (15%) compared with Gen Grey (9%). Gen Y did not note any statistically significant from any generation on financial suggestions (12%).



Business customers are satisfied with Barwon Water

- ▶ When prompted, the vast majority (86%) of business customers are satisfied with Barwon Water.
- ▶ Business customers were also offered an opportunity to provide suggested improvements with the majority (64%) not offering any suggested improvements.
- ▶ The nominal proportion of customers who did provide suggested improvements were all unique and individually specific. This is an encouraging result for Barwon Water as it suggests that they have been active with their customers and able to address concerns or areas which impact customers more broadly and there are no common points of dissatisfaction.



Reliability of water to large businesses warrants transparency over future planning

Reliability on water supply

The large businesses engaged, are heavily reliant on water to run their business. Water is a major outlay for their organisation with unplanned issues having detrimental implications.



COMMUNICATION

Good communication... Large businesses appreciate the balance of communication is currently appropriate. Relationships with key contacts are held in a positive regard.

Positive relationship... Large businesses feel their relationship with their account managers allows for an open dialogue, they receive notification of upcoming disruptions and they feel the door is always open to raise concerns or queries.

Help them plan... While large businesses feel treated well as customers there is opportunity to make them feel more valued. With more transparency on planned disruptions and price increases, this can go a long way in making them feel like a valued customer and Barwon Water understanding the ramifications of these changes on their business.



COLLABORATION

Focussed on today... While engaged large business feel they have a positive relationship with Barwon Water they feel the dialogue centres around current operations and less future focused.

Trusted... Large businesses value their relationship with Barwon Water, with no recent recollection of issues, this has helped to build trust and allowed for an open-dialogue when needed.

Harness the relationship for collective good... Engaged large businesses aren't certain that Barwon Water are utilising them for future innovations to better the region. With businesses more focused on sustainability and environment factors then ever before, large businesses feel there is greater opportunity to collaborate with some of the largest water users in the region.

“

Communication was very good, but [my] only concern [is that] if [I] didn't have the direct contact [I did] to rush through the repair, it could have been an issue. The broader communication said that it will take a month for repairs, we really would've been in trouble and [it would've] caused much stress if it was a month.

Large business

“

[Customer service] They were able to fix issues very quickly – even after hours. It has been quite evident they are trying to maintain pipes etc. [They are] very responsive, don't have any issues there.

Large business

“

Sometimes it's hard to work things out compared to three competitors [other suppliers], but costs with BW are higher than competitor water suppliers.

Large business

Disclaimer: Many factors can affect an individual customer's "costs" (water usage, concentration of waste in trade waste, etc), and that verifying the veracity of customer perceptions was outside the scope of this research.

OUTCOME 1:
Safe, secure,
sustainable water



1 Water supply preservation key for customers, and they are willing to do their bit



IMPORTANCE OF PRESERVING WATER SUPPLY

The vast majority of customers consider ensuring there is enough water to meet all of the community needs as very important. Key initiatives supported have a focus on preserving water and reducing wastage.



WATER RESTRICTIONS

The value of water restrictions is clearly understood by customers. Customers typically see some restrictions as appropriate when reservoirs are low.



SUPPORT FOR FUTURE INVESTMENT

While just under one in two (46%) see the current focus on water recycling to be about right, there is a desire among customers for this to be a continued focus. 74% are willing for their bills to increase to support additional recycling investment, at an average of \$4.06 more on their annual bill, the highest support for additional investment across all possibilities tested.



DIGITAL METER ROLLOUT

Most customers support digital meters and many are prepared to contribute to their cost.

IMPLICATIONS:



Customers want to be part of the journey. They want to learn about how they can support securing water supply, and they want Barwon Water to teach them.



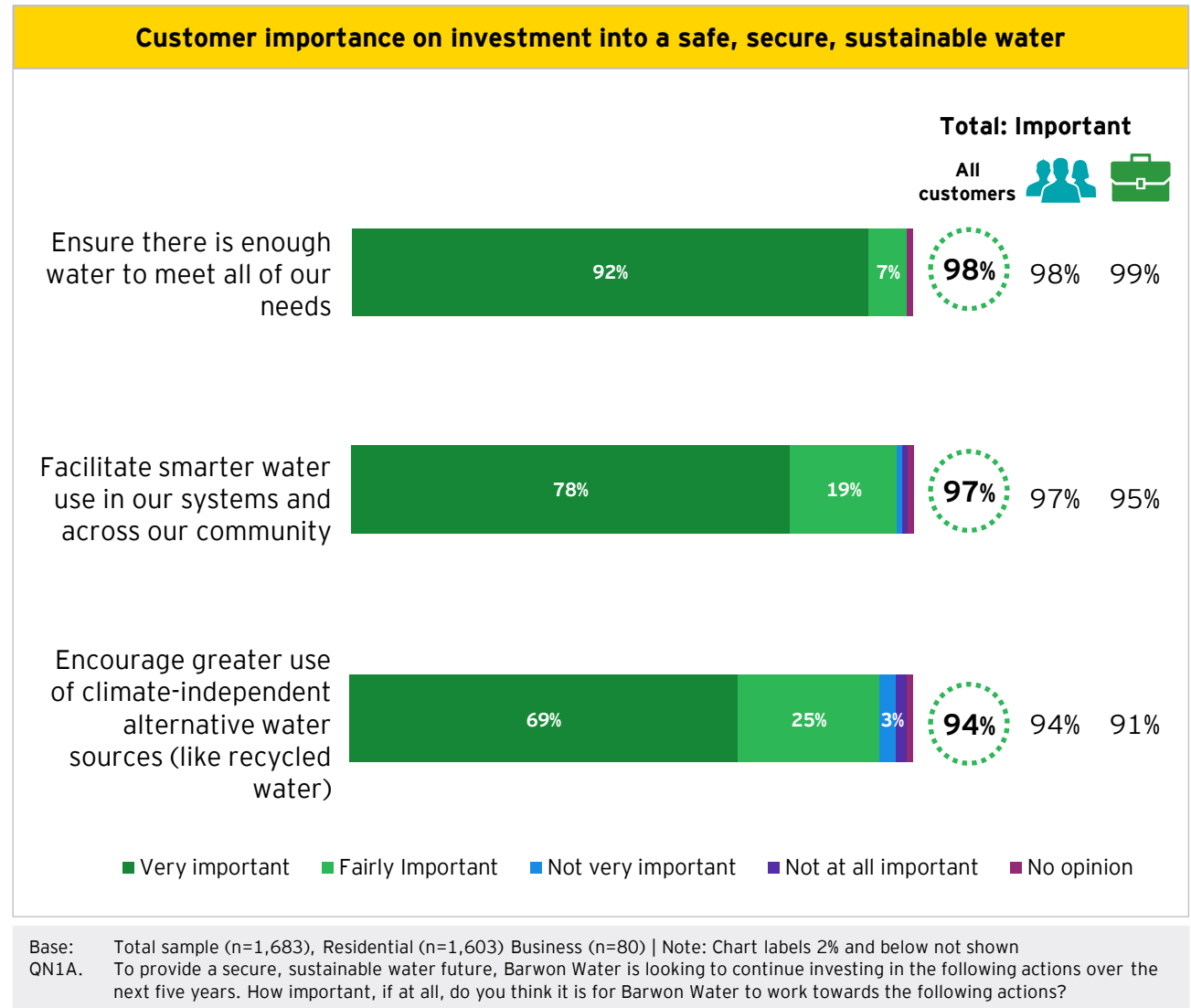
Consider the customer acceptance of water restrictions. If ongoing restrictions are required, the reasons for this must be clearly communicated to garner support.



Ensure customers understand the benefits of digital meters and that there is clear transparency over the cost if a rollout is implemented.

Customers strongly support investment to help secure future water supply

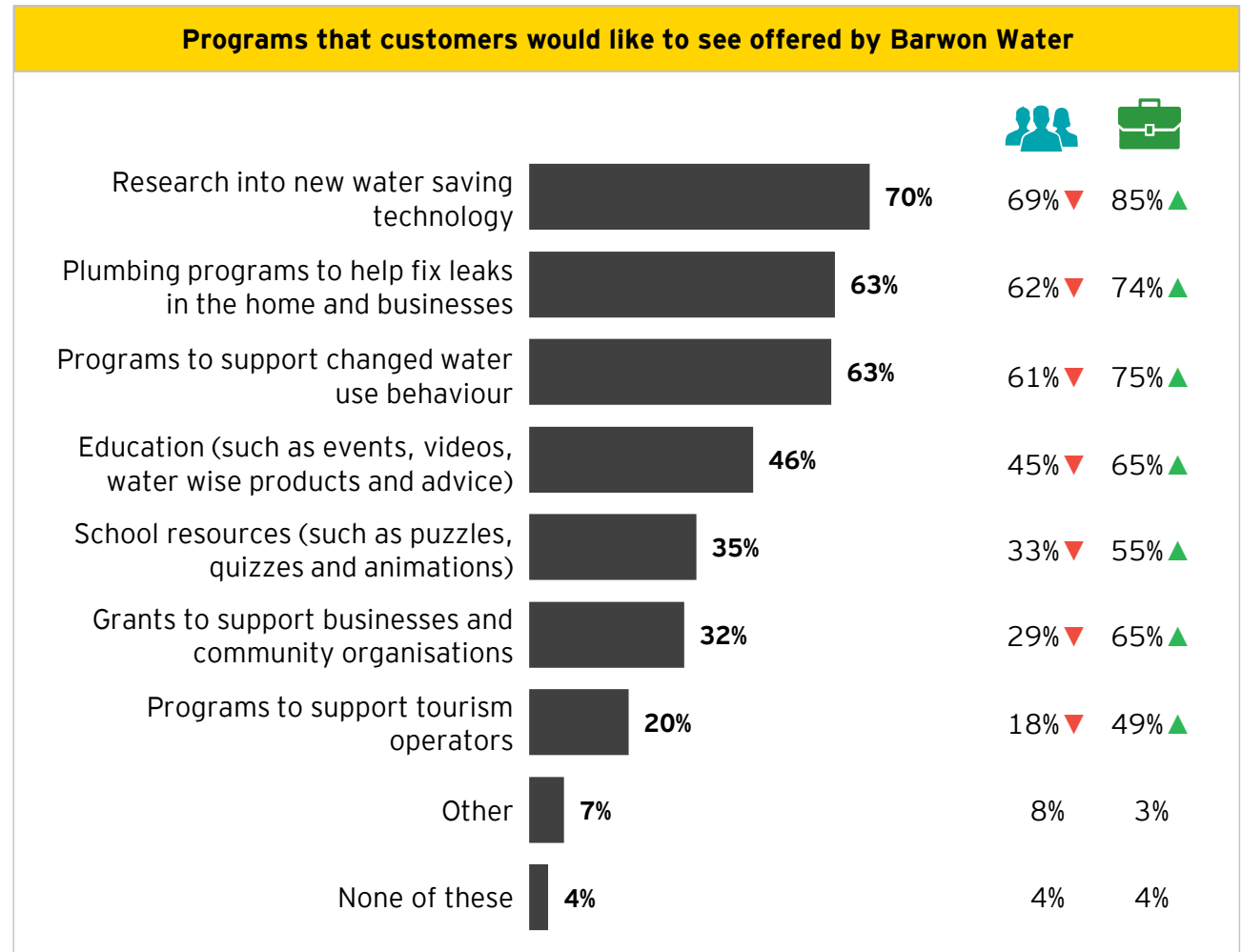
- ▶ There is almost universal support for Barwon Water's investment options that help secure future water supply.
- ▶ Qualitatively this sentiment is echoed strongly, with many residential customers, particularly the Baby Boomers and Gen Grey, emphasising the importance of securing a water supply for the future. This is largely driven by their reflections on the recent droughts and how they drastically changed the way in which they monitor and use water.
- ▶ Encouragingly, quantitatively, the high levels of importance are evident across all age groups with no apparent statistical differences noted.
- ▶ The importance placed by customers on water security for the region is also being driven by the population growth of the region. Customers want a level of assurance from Barwon Water that, with greater demand for water across the region, that this is being planned for.
- ▶ No apparently statistical differences were noted between residential and business customers.



▲ ▼ Significant difference between residential and business customers

Strong support for Barwon Water programs that help reduce water wastage

- Initiatives focused on saving water supply are highly valued, with seven in ten (70%) customers supportive of Barwon Water researching new water saving technology and six in ten (63%) keen to see plumbing programs to help fix leaks in their home and businesses. Both initiatives are practical methods to ensure less wastage of water, and key areas to maintain future supply.
- There are also strong levels of support for programs that encourage changed water-use behaviour (63%). Customers are recognising the role they can play in using water wisely, and in turn ensure supply. They are looking for support from Barwon Water to arm them with the tools they need to do so.
- Business customers are supportive of the whole range of potential initiatives. Naturally, this is particularly evident for programs such as 'Grants to support business and community organisations' and 'Programs to support tourism operators'.



▲ ▼ Significant difference between residential and business customers

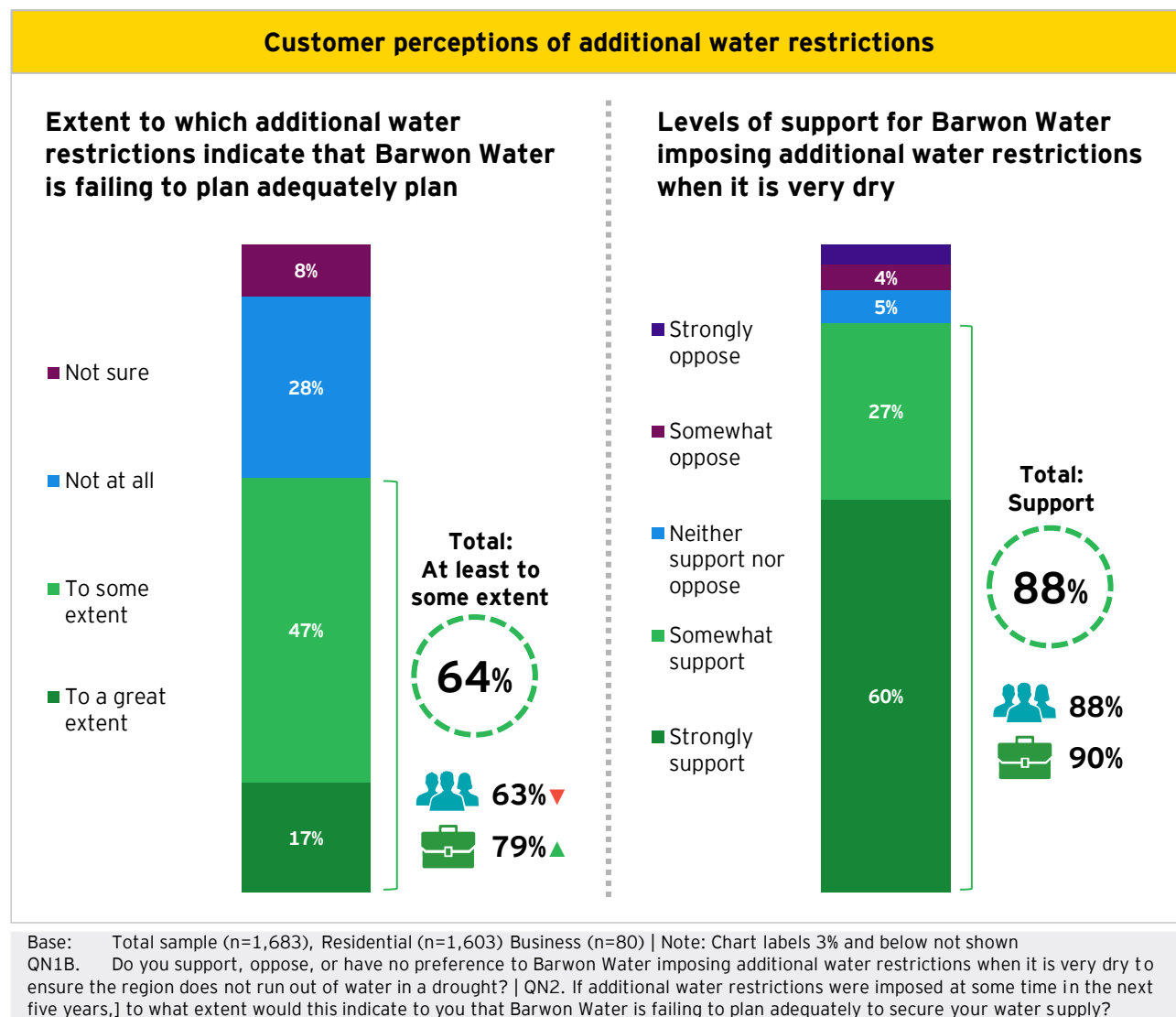
Water restrictions are accepted during extreme conditions

- ▶ Only one in six customers (17%) feel that additional water restrictions in the next 5 years would be indicative of a major failing by Barwon Water to adequately plan. There is a general sense that some water restrictions are somewhat inevitable.
- ▶ This sense of inevitability is reflected in high levels of support for imposing additional water restrictions when it is very dry (88%).
- ▶ Given the importance attached to supply reliability, customers want to think that the best planning is occurring, but will rally and support water restrictions in times of need.
- ▶ Qualitatively, older customers are especially keen that lessons are learned from past periods where restrictions were required, but also especially accepting of restrictions when it is very dry.

“

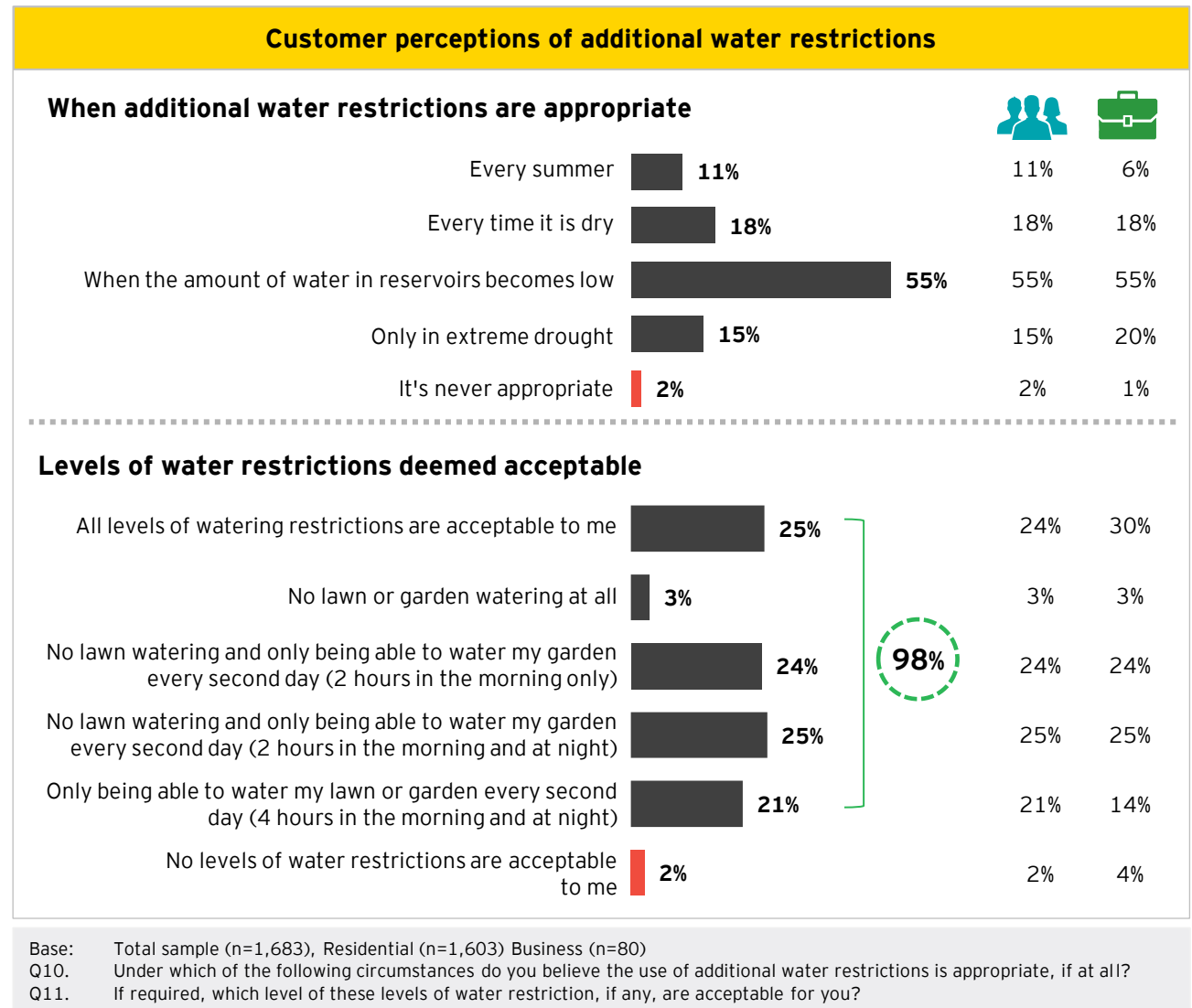
To think when we went through the drought last time it was definitely a more reactive situation and felt like off the back of that they were being more proactive and it has felt like we have sort of stopped hearing about it.”

Residential customer - Baby Boomer



Low reservoir levels are an acceptable reason for water restrictions

- ▶ Based on customer feedback, water restrictions are appropriate when the amount of water in the reservoir becomes low (55%), and the majority of customers would accept no lawn watering and only being able to water their garden 2 hours in the morning and at night (77% in total).
- ▶ Any more stringent restrictions may require greater understanding among customers to garner support. While one in four (25%) accept all water restrictions, there would be a need to appease the remainder of the customer base through explanatory communications.
- ▶ It is important to consider only a nominal proportion of customers indicate that no restrictions are acceptable (2%), further reinforcing the support among the customer base for water restrictions if required.



▲ ▼ Significant difference between residential and business customers

Water restriction communications guidance

There are factors that need to be considered when communicating with customers about the need for water restrictions...

Imposing restrictions

Barwon Water needs to be conscious of customers' past experiences (or inexperience) with droughts and restrictions when implementing necessary water restrictions.

Education may need to be provided for customers, informing them of the necessity of restrictions during dry times.

Timing of restrictions

If a decision was to be made that water restrictions are necessary despite reservoirs being near full (e.g. every summer / when dry), it would require communication with customers to help understand why these restrictions are being implemented, for example, how is the water being stored if reservoirs are near full?

Levels of restrictions

Water restrictions that allow garden (not lawn) watering 2 hours in the morning and 2 at night would be acceptable to 77% of the customer base. This could be the optimal level to maintain customer satisfaction and work towards preserving water supply.

Responsibility of restrictions

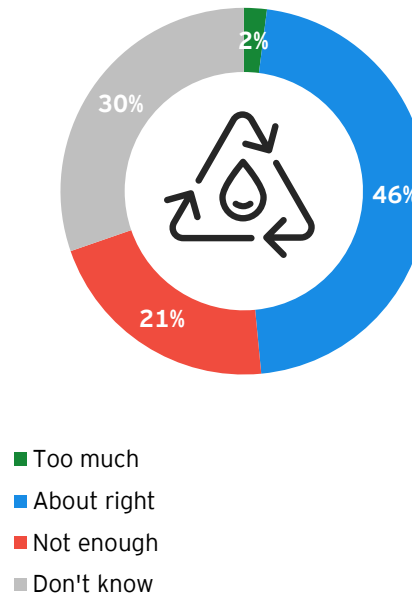
Restrictions are widely viewed as an indicator of a lack of preparedness rather than being viewed as a means to prepare. Barwon Water may consider communicating that the introduction of restrictions is a proactive measure and not a reactive one. For example, if there is a need to implement restrictions during summer/dry times (proactive) to prevent harsher restrictions during drought times or when reservoir levels are low (reactive).



Customers are willing to pay more to support investment in water recycling reuse

- ▶ While almost half think the current level of investment in water recycling is 'about right', customers who want to see more investment outnumber those who think there should be less by more than 10:1.
 - Customers aged 65+ (Gen Grey) are more likely to be content with current investment levels (53% v 43% for under 65s).
- ▶ Three quarters of customers (74%) are accepting of increased bills to support additional water recycling investment.
- ▶ The average additional amount the three quarters of customers are prepared to pay is a little over \$4 annually.
- ▶ While those aged 65+ are more likely to be content with the current investment level, they are also willing to pay a higher than average amount to support further investment in water recycling.

Customer ratings of Barwon Water's current level of investment in water recycling



Willingness to pay for future investment in water recycling

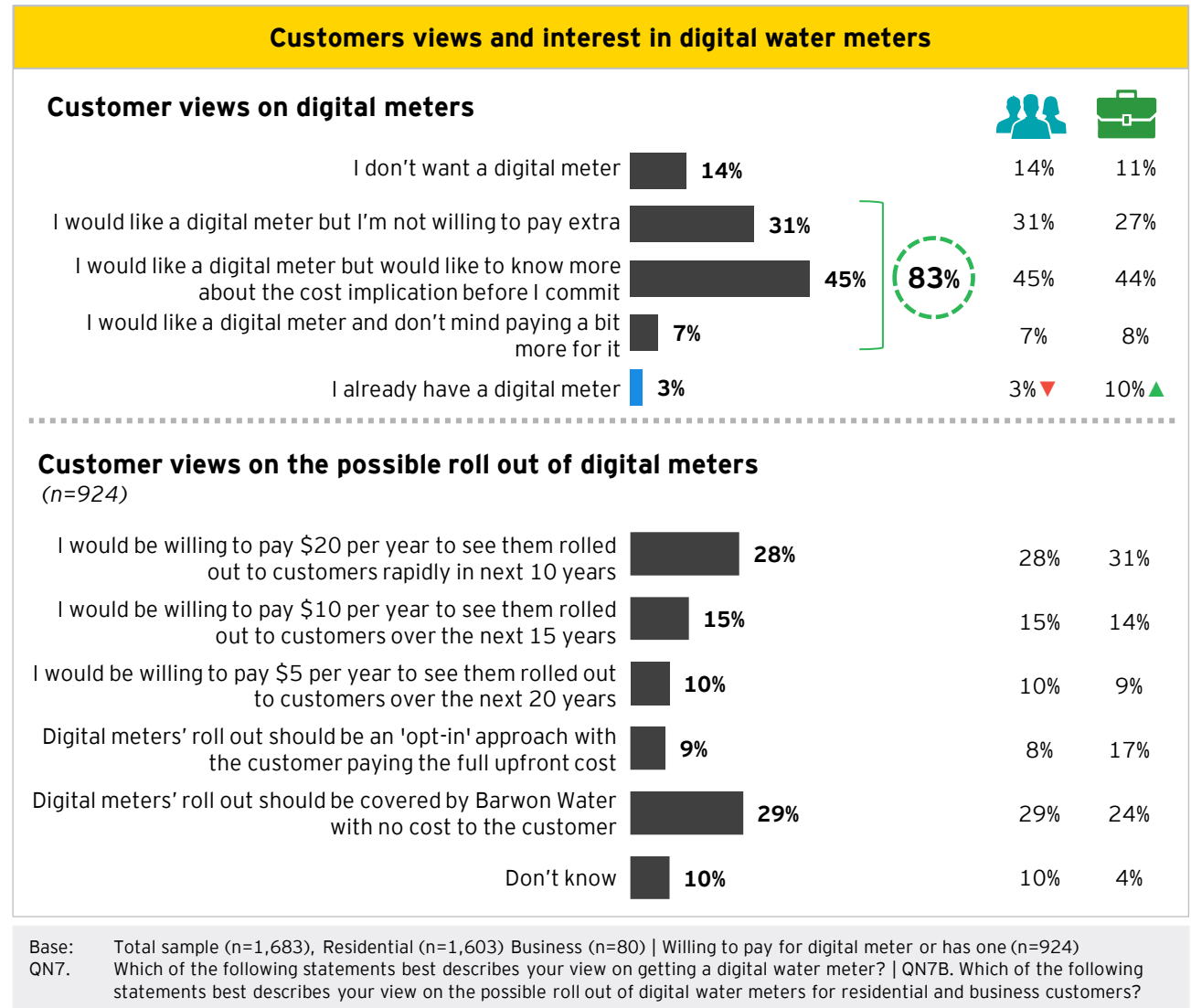
Amount willing to pay	Proportion of customers willing to pay	Total customers		
\$0	26%	27%	20%	
\$1	8%	8%	10%	
\$2	8%	7% ▼	18% ▲	
\$3	5%	5%	6%	
\$4	2%	2%	4%	
\$5	50%	51%	41%	
Total: \$1 to \$5	74%	73%	80%	
Average Incl. \$0	\$3.00	\$3.02	\$2.88	
Average Excl. \$0	\$4.06	\$4.11	\$3.60	

Base: Total sample (n=1,683), Residential (n=1,603) Business (n=80)
 QN4. How do you rate Barwon Water's current level of investment in water recycling?
 QN5. How much extra would you be willing to pay on your yearly water bill, if anything, to support Barwon Water's continued investment in water recycling?

▲ ▼ Significant difference between residential and business customers

High demand for digital meters, with many prepared to contribute to their cost

- ▶ Only one in seven customers (14%) do not want a digital meter. This is largely in line with the results of the 2017 study, where the majority of customers were interested in having digital meters.
- ▶ The funding of a digital water meter roll out is an important consideration, with 45% wanting more information before they commit to one.
- ▶ Of those willing to have a digital water meter, 29% think Barwon Water should fund them. Nevertheless, the majority 53% would be willing to contribute to their cost, with half of these willing to pay \$20 per year to see them rolled out rapidly over the next decade.
- ▶ Perceived benefits of digital water meters emerging from the qualitative research include: better leak detection, usage monitoring for bill control and that they are a more advance technological solution
- ▶ A few raise the potential concern of greater maintenance costs as leakage identification might be more common.



▲ ▼ Significant difference between residential and business customers

The voice of the customer: safe, secure, sustainable water

“

Rainwater tanks, possible subsidies could be provided to encourage people to think about it and look in that direction.

Residential customer - Small and Medium Enterprises (SMEs)

“

Still having the meters read manually is probably something that isn't really progressing with times in terms of the digital age that were living in and having everything at our fingertips.

Residential customer - Baby Boomer

“

Keep [the] message going that water's not always going to be there. When heavy in the drought, everyone was great at not washing cars, watering gardens, showering less often...but water is on the downside. Need to keep promoting [to] use water wisely. Even in schools. Not a message just for summer, [but the] whole year.

Residential customer - Baby Boomer

“

[I] wouldn't mind if they say a portion of your fees and charges are going to be used for future proofing the water supply for all.

Residential customer - Baby Boomer

“

[Water preservation] should stay on the agenda all the time. It is something that needs to be there constantly.

Residential customer - Baby Boomer

“

I think that's partly kind of what you pay them money to do - I want to pay to get my water now and I'm paying money knowing that you're going to take care of this for me in future as well.

Residential customer - Baby Boomer

“

There should be more support for people putting in water tanks.

Residential customer - Baby Boomer

Quotes disclaimer: These comments were collected as part of the qualitative research and demonstrates the varied levels of customers knowledge and awareness of Barwon Water programs / investments.

OUTCOME 2: Innovative and reliable services



2 Customers value avoidance of service interruptions and prompt restoration of services above all else



ISSUE RESOLUTION

Above all else, customers are looking for Barwon Water to respond to any issues quickly and restore water supply, with both factors ranking the most important across service areas tested.



DIGITAL INVESTMENT THAT REDUCES DISRUPTIONS

Following a similar thread, the majority of customers are willing to pay for digital technologies that will lessen the possibility of disruption to their personal water supply.



ENHANCING CUSTOMER EXPERIENCE

There is only limited appetite for investing in achieving the highest possible level of customer experience. This is because the best possible experience for customers involves no need for direct contact with Barwon Water.



COMMUNITY INVESTMENT

Investment in community initiatives is important for many, with three in four (73%) indicating it is very important for Barwon Water to prioritise the safety of our people and the community.

IMPLICATIONS:



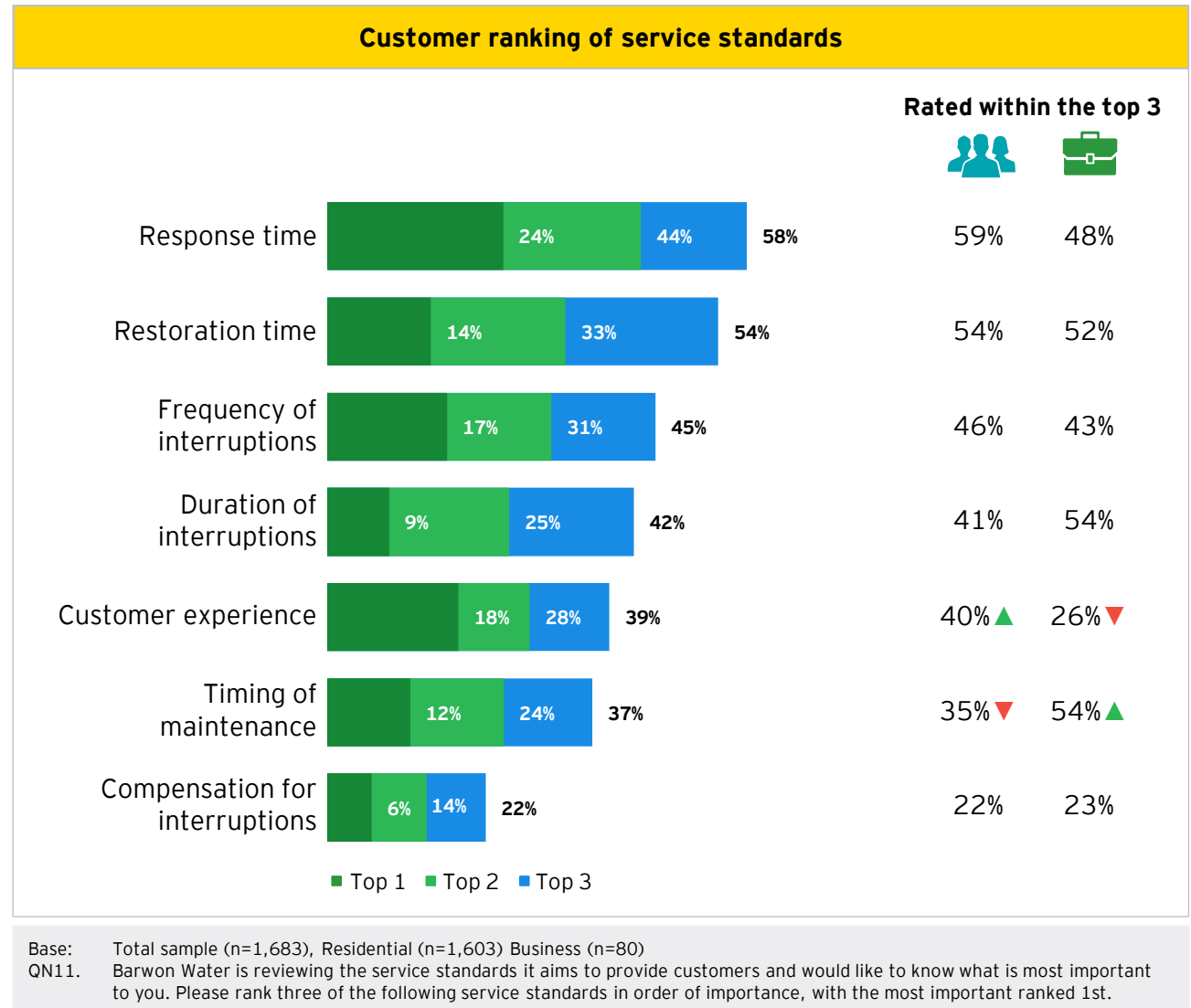
Ensure the focus continues to be on resolving issues quickly for customers and communicate any disruptions clearly to customers.



Recognise customer experience enhancements are not a priority for customers and be cautious of this when allocating future investments.

Response and restoration times are critically important service standards

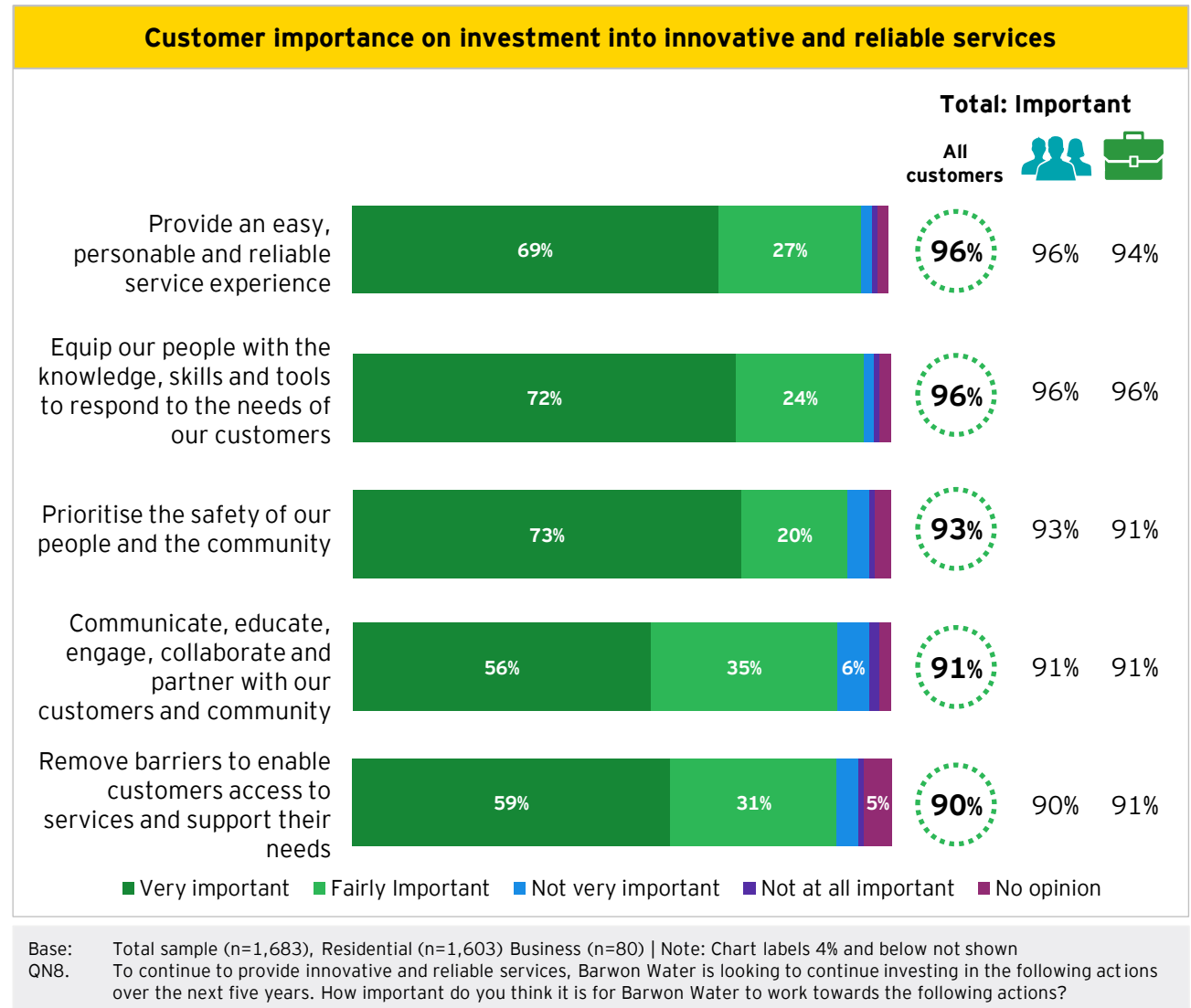
- ▶ Customers are looking for Barwon Water to be responsive to issues that arise. One in four (24%) customers rank 'faster response time' as their most important service standard, and six in ten (58%) rank it within their top three.
- ▶ Sentiment around responsiveness came through in the qualitative research with customers noting that when and if there are issues with their water supply, they want to know Barwon Water will respond and respond quickly.
- ▶ Customers understand that issues can arise, however they would like to see Barwon Water continue to keep these to a minimum.
- ▶ Qualitatively, customers highlight the lack of time they spend thinking about their water and want that to continue. Their trust in Barwon Water largely centres on the reliability of the water service.



▲ ▼ Significant difference between residential and business customers

Barwon Water's impact on people is important to customers



- ▶ Customers show strong levels of support for Barwon Water's continued investment in innovative and reliable services.
- ▶ Three aspects emerging strongly are providing a frictionless and personable service experience, equipping Barwon Water staff well to respond to customer needs and prioritising safety. All these aspects can be seen through a human lens.
- ▶ Qualitatively, the role that Barwon Water has in the broader community and the impact that it can have is acknowledged and many survey respondents see community and customer engagement as part of a 'partnership'.
- ▶ Barwon Water's presence within the community can build a positive view, most notably attendance at community events such as the Geelong Show embed the company as 'part of the community', but also promotes good (educational) messaging by offering free water refills.
- ▶ There is widespread support for Barwon Water's continued efforts to remove barriers to accessing services and support customer needs, especially among renters.



▲ ▼ Significant difference between residential and business customers

Limited customer willingness to pay for improving customer experience

- ▶ Improving customer experience is the least supported initiative customers are willing to pay an additional fee for, with almost two in five (37%) customers willing to pay for this initiative (see p.7).
- ▶ Amongst those willing to pay, the average amount they are willing to pay is \$2.27. However, amongst all customers, including those who are not willing to pay any additional fee for this initiative, the average cost sits under \$1 (\$0.83).
- ▶ When prompted on service areas of importance of importance, customer experience was ranked 5th out of a total of seven service areas (see p.37).
- ▶ Qualitatively, customers spoke to the positive experiences they've had with Barwon Water when needed. But many customers highlighted their lack of interaction with Barwon Water which they felt was best and most preferred as it meant their service was working.





Customer willingness to pay for improving customer experience			
Amount willing to pay	Proportion of customers willing to pay		
	Total customers		
\$0	63%	64%	57%
\$1	16%	16%	9%
\$2	10%	9%	14%
\$3	4%	3% ▼	9% ▲
\$4	1%	1%	3%
\$5	7%	7%	9%
Total: \$1 to \$5	37%	36%	43%
Average Incl. \$0	\$0.83	\$0.80	\$1.17
Average Excl. \$0	\$2.27	\$2.23 ▼	\$2.73 ▲

Base: Total sample (n=1,683), Residential (n=1,603) Business (n=80)
 QN10. How much extra would you be willing to pay on your yearly water bill, if anything, to support Barwon Water's investment in improving customer experience?

▲ ▼ Significant difference between residential and business customers

Greater customer willingness to fund digital investments

- ▶ Six in ten customers are willing to pay for Barwon Water to invest in digital technology to reduce outages, as well as to reduce sewer spills (59% and 57% respectively) - see p.21.
- ▶ Qualitatively, there is an expectation that Barwon Water should be keeping up to date with technology and have a future-focus to continually improve services (though there is little awareness of what Barwon Water is doing).
- ▶ Among the 59% prepared to pay more, customers are willing to pay an extra \$3.26 on their yearly water bill to support Barwon Water's investment in digital technology to help reduce unplanned outages and the frequency of planned.
- ▶ Similarly, among the 57% of customers prepared to pay for digital technology to reduce sewer spills from occurring and reduce the number of customers impacted by this, the average amount they are willing to pay is \$3.07 annually.

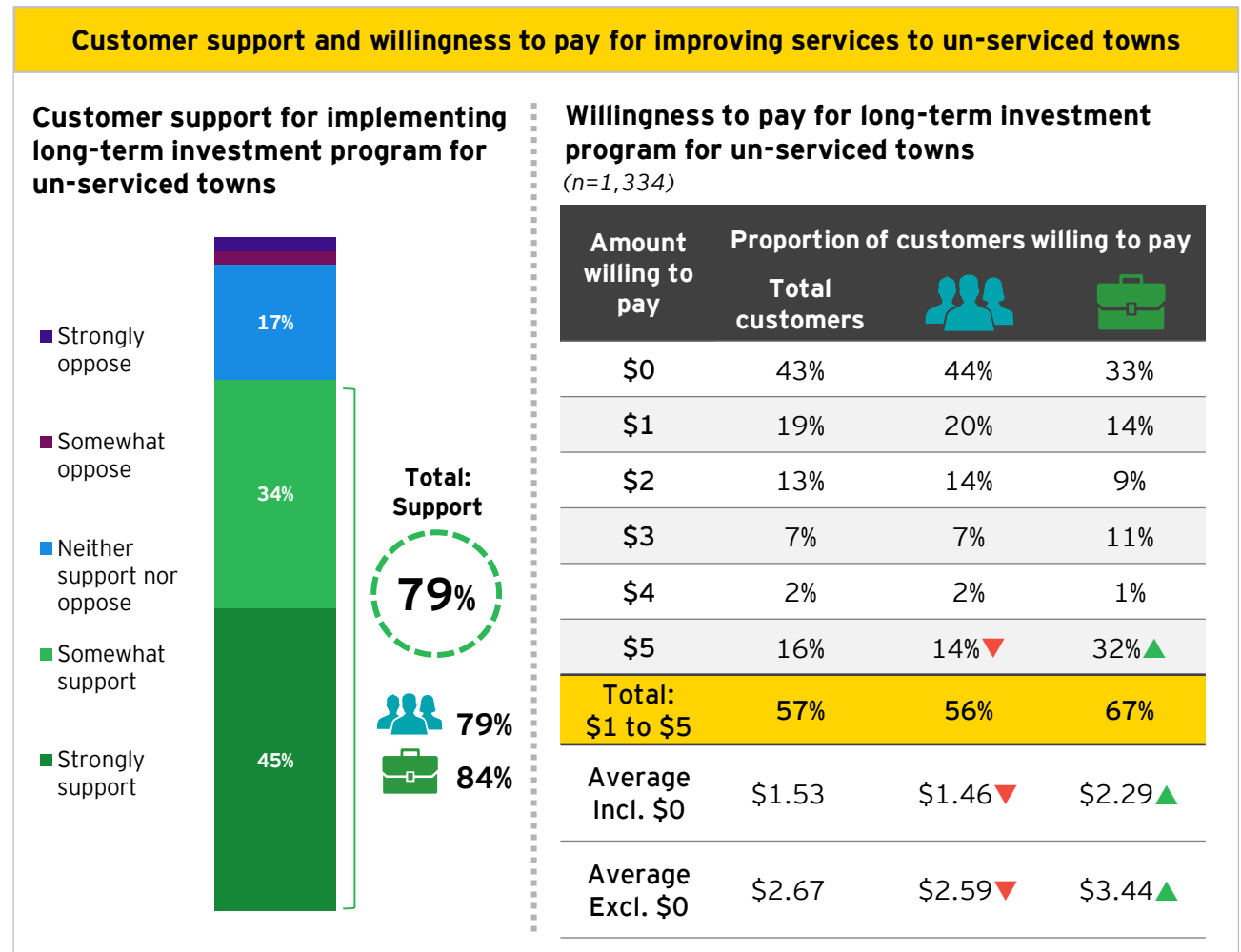
Customer willingness to pay for investment in digital technology							
Digital technology to reduce unplanned outages				Digital technology to reduce sewer spills			
Amount willing to pay	Proportion of customers willing to pay	Total customers		Amount willing to pay	Proportion of customers willing to pay	Total customers	
							
							
\$0	41%	42%	31%	\$0	43%	44%	35%
\$1	14%	14%	8%	\$1	15%	15%	8%
\$2	11%	11%	16%	\$2	11%	11%	18%
\$3	6%	6%	6%	\$3	7%	7%	8%
\$4	2%	2%	1%	\$4	2%	2%	4%
\$5	26%	25%	37%	\$5	21%	21%	28%
Total: \$1 to \$5	59%	58%	69%	Total: \$1 to \$5	57%	56%	65%
Average Incl. \$0	\$1.92	\$1.87 ▼	\$2.50 ▲	Average Incl. \$0	\$1.75	\$1.71 ▼	\$2.22 ▲
Average Excl. \$0	\$3.26	\$3.23	\$3.64	Average Excl. \$0	\$3.07	\$3.04	\$3.40

Base: Total sample (n=1,683), Residential (n=1,603) Business (n=80)
 QN8/9. How much extra would you be willing to pay on your yearly water bill, if anything, to support investment in digital technology [QN8 to help reduce unplanned outages and the frequency of planned outages?] [QN9 to reduce sewer spills from occurring and reduce the number of customers impacted by this?]

▲ ▼ Significant difference between residential and business customers

General support for improving connection to un-serviced towns

- ▶ Most (79%) are in favour of Barwon Water implementing “a long-term investment program to improve water and/or sewerage services to existing un-serviced towns in order to support environmental, social and economic benefits for our broader region”.
- ▶ This was also reflected in the qualitative research phase, where the general sentiment was that this is a good initiative and that everyone should have access to these services as this is a basic necessity.
- ▶ However, less than half (45%) are strongly in support of this area of further investment and, among those prepared to pay annually to support this initiative, the average amount willing to pay is below \$3, at \$2.67.
- ▶ In the qualitative research, some customers were keen to hear about Barwon Water’s plans in respect of their work and investment in un-serviced towns. There were some questions around whether this initiative is in response to more people moving regionally due to COVID-19.



Base: Total sample (n=1,683), Residential (n=1,603) Business (n=80) | Support for un-serviced towns (n=1,334) | Note: Chart labels 2% and below not shown | QN12A. How much extra would you be willing to pay on your yearly water bill, if anything, to support Barwon Water's investment to improve water and sewerage services for those un-serviced towns?

▲ ▼ Significant difference between residential and business customers

Large business has appetite for innovation and partnership

Outcome 2 was a key focus in the in-depth interviews with large business customers of Barwon Water.

CUSTOMER EXPERIENCE	INNOVATION	EDUCATION AND SHARING INFORMATION	ENVIRONMENT FOCUS
<p>Larger businesses are more impacted by any water supply issues and need to plan for any maintenance / disruptions.</p> <p>Businesses require more lead time than residential customers - but they feel they are beginning to get that now. There is a need to continue to communicate with businesses first so they can prepare for any impacts to their operation and costs.</p>	<p>Some large businesses have implemented filtration systems for recycled water in Europe and want to keep that momentum happening here in Australia, but can feel stuck on how to best approach innovation in this area.</p> <p>Overall, large businesses see the importance of Barwon Water investing in future technology and innovation. Further education and support to drive innovation at an organisational level is desired by many.</p>	<p>There is a desire for education on options and if Barwon Water can pass on any learnings.</p> <p>Support from Barwon Water to help with implementation can help accelerate learnings and support large businesses in this space.</p> <p>Barwon water offering grants for technology a welcomed process amongst those who have accessed.</p>	<p>The environment is considered to be important to large businesses and there is support for innovation in this space.</p> <p>Large business understand the demand to ensure they run environmentally, both from a climate change aspect, as well as customers being more conscious of their organisations and brands being environmentally focused.</p>
<p>Opportunity:</p> <p>Continued implementation of account managers or key point of contacts for large businesses.</p>	<p>Opportunity:</p> <p>Education specific to innovation, cost saving for businesses. How and what can businesses implement with greater partnership.</p>	<p>Opportunity:</p> <p>Consider providing case studies on success stories and other learnings to pass to other businesses.</p>	<p>Opportunity:</p> <p>Opportunity for partnerships between Barwon Water and large businesses on environmental innovation and initiatives.</p>

The voice of the customer: innovative and reliable services

“

We had an issue a few years ago for a small amount of money... they undercharged on one bill and there must've been a problem with the reading that wasn't clear at the time, but I rang and they explained and now I pay direct debit and the bills take care of themselves.

Residential customer - Baby Boomer

“

We had an issue where we had a massively high water bill at one stage and they gave our landlords some ideas of perhaps what to check for which was helpful. It wasn't Barwon Water's fault at all, it was an internal pipe issue, but they were proactive and gave us some ideas of 4 or 5 things to check as to find the cause of the problem and they were spot on with one of them.

Residential customer - Baby Boomer

“

They [the bills] still come by paper in the mail and paid by BPay...if they could come electronically, we would welcome that at anytime.

Large business

“

It's very readily known that their image in Geelong is well-known and it's up there with the Geelong City Council... I think generally they're doing a good job.

Large business

“

No news is good news. Don't hear anything, assume it's fine.

Residential customer - Baby Boomer

“

I find them pretty easy to work with. I had an issue with my back garden where I had a pipe that was broken and I had plumbers in for ages and in the end it was actually Barwon Water's fault and they were really good to work ...They got their assessor out and said yeah its our fault we'll pay for it and I had no problems with them which was pretty amazing I thought. I've never had a problem with them at all, I've never had issues.

Residential customer - Baby Boomer

Quotes disclaimer: These comments were collected as part of the qualitative research and demonstrates the varied levels of customers knowledge and awareness of Barwon Water programs / investments.

OUTCOME 3: Healthier environment



3 Customers are supportive of Barwon Water's focus on its contribution to a healthier environment



NET ZERO EMISSIONS

There is a strong, positive reaction to Barwon Water's objective of meeting net zero emissions by 2030, with acknowledgement that this is ahead of the government timeline.



ZERO WASTE

In line with support for net zero emissions, customers support zero waste. However, residential customers were confused how this was relevant to them - perhaps feeling the onus should be on businesses to pay. In saying this, customers were willing to pay an average of \$1.47 (incl those that wouldn't pay anything) and \$2.67 (excl \$0) extra to reach this target.



COLLABORATION

Almost all customers (97%) consider collaboration to enhance waterway and catchment health as important and seven in ten (68%) consider it important to partner with Traditional Owners and the community to enhance the natural and cultural values of key Barwon Water sites.

IMPLICATIONS:



Celebrate the successes of the journey in meeting the net zero target and keep customers informed.



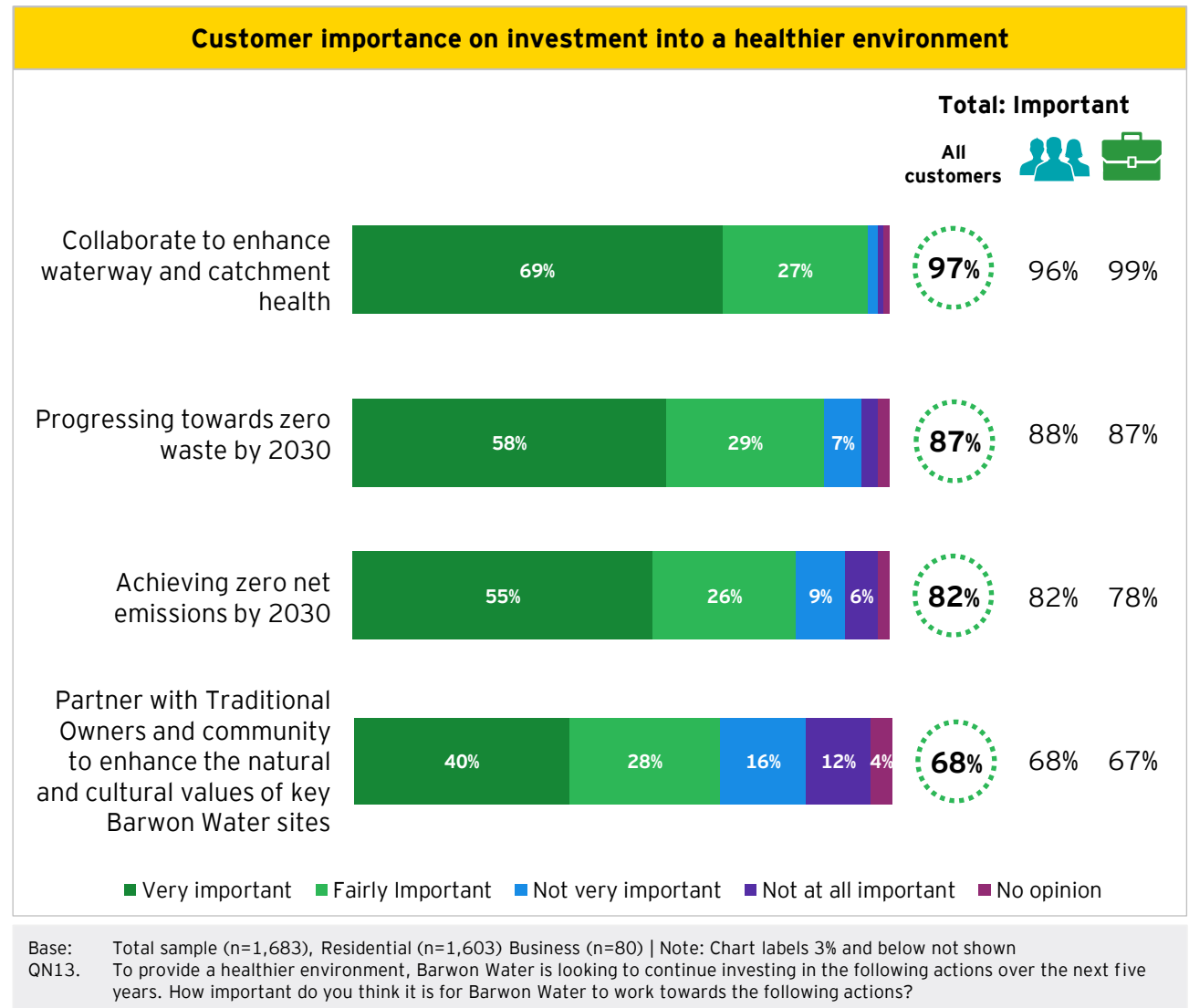
Ensure all goals are measurable and Barwon Water can be held accountable for reaching these targets in the eyes of the customer.



Communicate the personal benefit, alongside the broader benefit, to garner greater support.

Customers support Barwon Water helping achieve a healthier environment



- ▶ In a general sense, there is almost universal support (97%) for collaboration to enhance waterway and catchment health.
- ▶ Furthermore, there is strong support in investing to achieve specific goals, with nine in ten (87%) attaching importance to progressing towards zero waste by 2030 and eight in (82%) attaching importance to achieving zero net emissions by 2030.
- ▶ The qualitative research supported the zero net emissions target, with reference to Barwon Water's target of 2030 being 20 years' ahead of the Australian Government's net zero target.
- ▶ Qualitatively, customers would like to see more measurable targets and KPIs in relation to waste reduction in order to understand what Barwon Water has done / is doing in respect of making improvements to its waste management practices.
- ▶ Partnering with Traditional Owners and the community to enhance natural and cultural values of key Barwon Water sites is considered important by two thirds (68%) of the customer base and qualitatively the opportunity to learn from the Traditional Owners did emerge.



▲ ▼ Significant difference between residential and business customers

Customer willingness to pay for zero emissions by 2030

- ▶ Over half of Barwon Water customers (55%) believe it is very important that Barwon works toward achieving zero net emissions by 2030 (see p.46).
- ▶ Six in ten customers (57%) are willing to pay extra on their annual bills to support the zero emissions target, at an average amount of \$2.99 per year on average to reduce emissions, rising to \$3.21 (excl \$0) among businesses.
- ▶ Customers are keen to understand more about the carbon forest initiative. Qualitatively, some customers were surprised that the wastewater treatment facilities are some of the biggest carbon emitters in the region, and as such, are interested in knowing more about what is involved in this process and what other options there may be to reduce and treat wastewater.



Customer willingness to pay for zero emissions by 2030			
Amount willing to pay	Proportion of customers willing to pay		
	Total customers		
\$0	43%	44%	30%
\$1	17%	17%	15%
\$2	11%	11%	16%
\$3	7%	7%	10%
\$4	1%	1%	0%
\$5	21%	20%	30%
Total: \$1 to \$5	57%	56%	70%
Average Incl. \$0	\$1.70	\$1.65 ▼	\$2.26 ▲
Average Excl. \$0	\$2.99	\$2.97	\$3.21

Base: Total sample (n=1,683), Residential (n=1,603) Business (n=80)
 QN13a. How much extra would you be willing to pay on your yearly water bill, if anything, for Barwon Water to invest more in reducing its emissions to achieve net zero emissions by 2030?

▲ ▼ Significant difference between residential and business customers

Customer willingness to pay for zero waste

- ▶ During the focus groups it was evident that customers are generally positive about Barwon Water's commitment to waste reduction.
- ▶ This is mirrored in the quantitative research, where over half of customers (58%) consider it very important that Barwon Water progresses towards zero waste by 2030 - see p.46.
- ▶ The majority are willing to pay extra in pursuit of this goal. Among those willing to pay, the average amount is \$2.67 extra on their yearly water bill to support Barwon Water's investment.
- ▶ This is slightly less than they are willing to pay in comparison to the investment towards zero emissions. Gen Y/Z are willing to pay slightly more on average in comparison to others, which may be indicative of their attitudes towards supporting the environment more broadly.



Customer willingness to pay for zero waste			
Amount willing to pay	Proportion of customers willing to pay		
	Total customers		
\$0	45%	46%	34%
\$1	19%	20%	14%
\$2	11%	11%	12%
\$3	7%	7%	11%
\$4	2%	2%	3%
\$5	15%	14% ▼	25% ▲
Total: \$1 to \$5	55%	54%	66%
Average Incl. \$0	\$1.47	\$1.41 ▼	\$2.09 ▲
Average Excl. \$0	\$2.67	\$2.62 ▼	\$3.19 ▲

Base: QN14. Total sample (n=1,683), Residential (n=1,603) Business (n=80)
 How much extra would you be willing to pay on your yearly water bill, if anything, for Barwon Water's continued investment in reducing the waste sent to landfill and increasing its use of recycled products in its operations?

▲ ▼ Significant difference between residential and business customers

Customer willingness to pay for collaborating to support regional challenges

- Customers were shown the following statement: *Barwon Water has the ability to collaborate with other regional businesses and government organisations to solve challenging regional problems such as climate change, waste and rising energy costs.*
- An example of this is the Regional Renewable Organics Network (RON) project where Barwon Water are partnering with local Councils to solve a key problem in the recovery of food and garden waste, turning it into valuable resources like energy and soil enhancers helping keep our customer bills affordable.
- Overall, half of customers (49%) are willing to pay to support such collaboration. The average amount these customers are willing to pay is an extra \$2.45 annually, rising to \$3.15 among the two thirds of businesses prepared to put their hands in their pockets.

Customer willingness to pay for collaborating to support regional problems			
Amount willing to pay	Proportion of customers willing to pay		
	Total customers		
\$0	51%	53%▲	34%▼
\$1	19%	20%	15%
\$2	12%	12%	12%
\$3	5%	4%▼	11%▲
\$4	2%	2%	4%
\$5	11%	10%▼	24%▲
Total: \$1 to \$5	49%	47%▼	66%▲
Average Incl. \$0	\$1.20	\$1.12 ▼	\$2.08 ▲
Average Excl. \$0	\$2.45	\$2.36 ▼	\$3.15 ▲

Base: Total sample (n=1,683), Residential (n=1,603) Business (n=80)
 QN15. How much extra would you be willing to pay on your yearly water bill, if anything, to support Barwon Water collaborating with others to address these regional problems?

▲ ▼ Significant difference between residential and business customers

Large businesses are happy with trade waste agreements and service

It is important to highlight that we spoke to two businesses with a trade waste agreement with Barwon Water. Therefore, the detail below is reflective of their verbatim responses.

COMMUNICATION	ISSUE RESOLUTION	UPGRADES	PROCESS
<p>Barwon Water is interacting well with large businesses around quality and impact on discharge.</p> <hr/> <p>“</p> <p>Had a fair bit of interaction, in particular more about trade waste and discharging. If they get a better quality of effluent from our plant, then they will be able to discharge it easier.</p>	<p>Large businesses value direct contacts for trade waste issues to resolve problems quickly and easily.</p> <hr/> <p>“</p> <p>Have contacts with the trade waste department and water supply, have been able to fairly quickly directly contact and resolve the issue.</p>	<p>Large businesses are open to making improvements to reduce their wastage and save money.</p> <hr/> <p>“</p> <p>Test every month and charging for each year is based on the average of the quality. This acts as an incentive to improve our effluent treatment plant. We have spent \$1m on upgrades.</p>	<p>The process to renew is seen to be straightforward.</p> <hr/> <p>“</p> <p>Need to renew agreement every 2 years. The process has been good but there is an assumption that it will be renewed as an integral part of the business to discharge.</p>

The voice of the customer: healthier environment

“

I think it would be better if they were more vocal about what they were doing, but maybe they think they don't need to as they are the one and only, the conglomerate, there is no other choice.

Residential customer - Gen X

“

It'd just be nice to know that they've got more water catchment areas going up....Where's all the extra water going to come from if they don't do infrastructure?

Residential customer - Baby Boomer

“

[It] is important for the environment if they are doing this [reducing waste through bill increases], but will be bad publicity if they don't expect to pay extra for it.

Residential customer - Gen X

“

It could be a good incentive for BW to subsidise tanks for grey water.

Residential customer - Baby Boomer

“

There has to be a timeline. Maybe upgrade of facilities, training of personnel, maybe even massive changing of plantation but it seems like they are committed to the long-term vision.

Residential customer - Gen X

“

Our sewerage charges are very high, would be interested to know what they are doing to reduce that and where they money is going.

Residential customer - Gen X

“

[Paying additional environmental fees] would annoy me as there are no quantifiable KPI's."

Residential customer - Gen X

Quotes disclaimer: These comments were collected as part of the qualitative research and demonstrates the varied levels of customers knowledge and awareness of Barwon Water programs / investments.

OUTCOME 4: Value, affordability and trust



4 Customers seek transparency in fees and charges, and support efforts to maintain affordability for all



APPROACH TO FEES AND CHARGES

Customers are looking for a fair approach to their fees and charges - they understand that Barwon Water has a responsibility for broader initiatives explored within this study. In saying this, customers want Barwon Water to be prudent in what they do. If money is being spent, the value needs to be recognised and understood.



HELPING THOSE WHO NEED SUPPORT

Customers are supportive of Barwon Water helping those who need it. They take a community outlook, and recognise that water is a necessity - something all should have access to.



SUPPORT FOR THE REBATE ADJUSTMENT

Overall residential customers support the wind back of the current tenant rebate to be reinvested in customer support programs; however, this needs to be clearly communicated with customers impacted. There is a lack of understanding of who the current and future beneficiaries are and where the surplus will be allocated.

IMPLICATIONS:



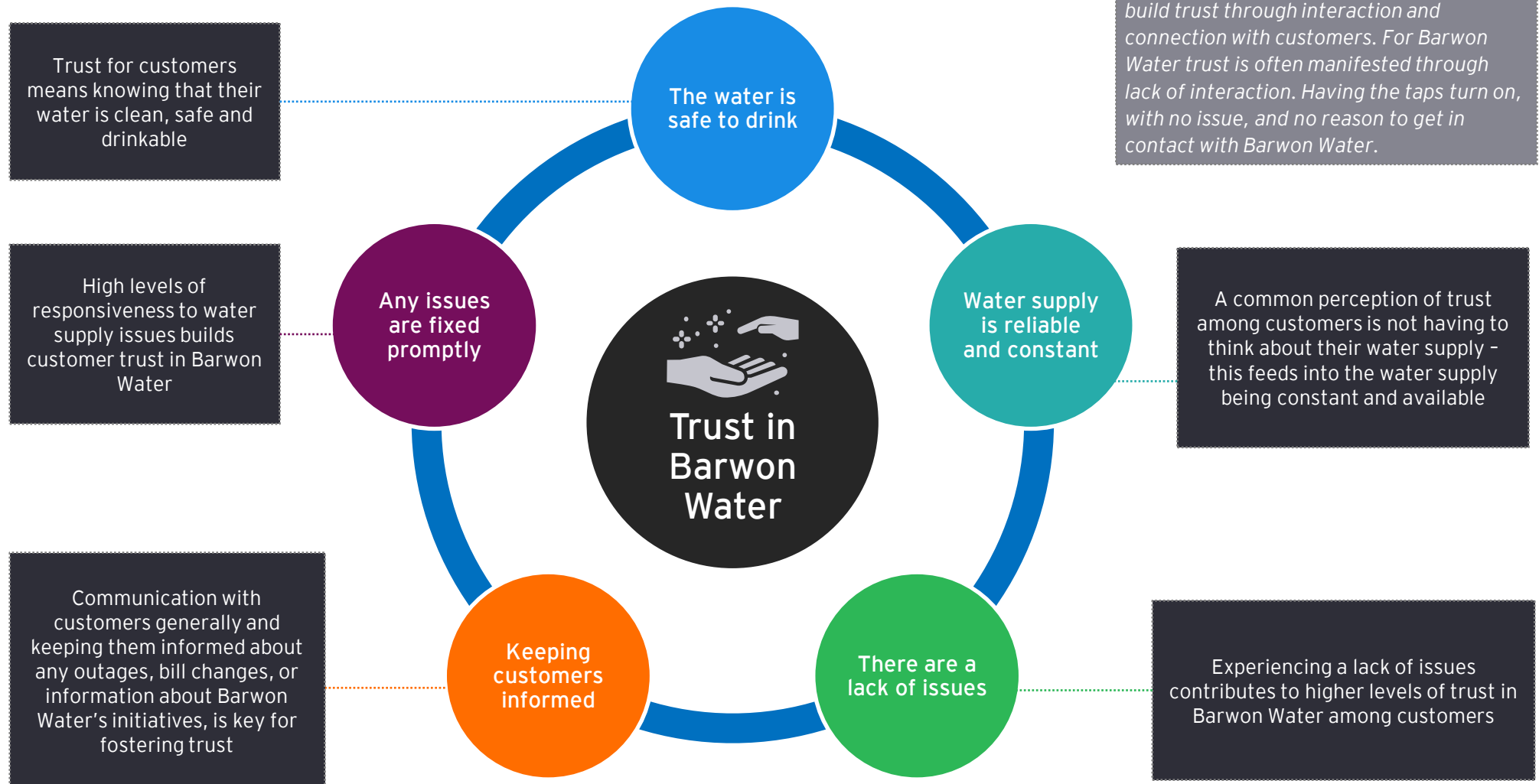
Be transparent in investments and communicate the benefits, both financially and more broadly, of work being done.



Raise awareness of customer support programs so those who need to access them, can.

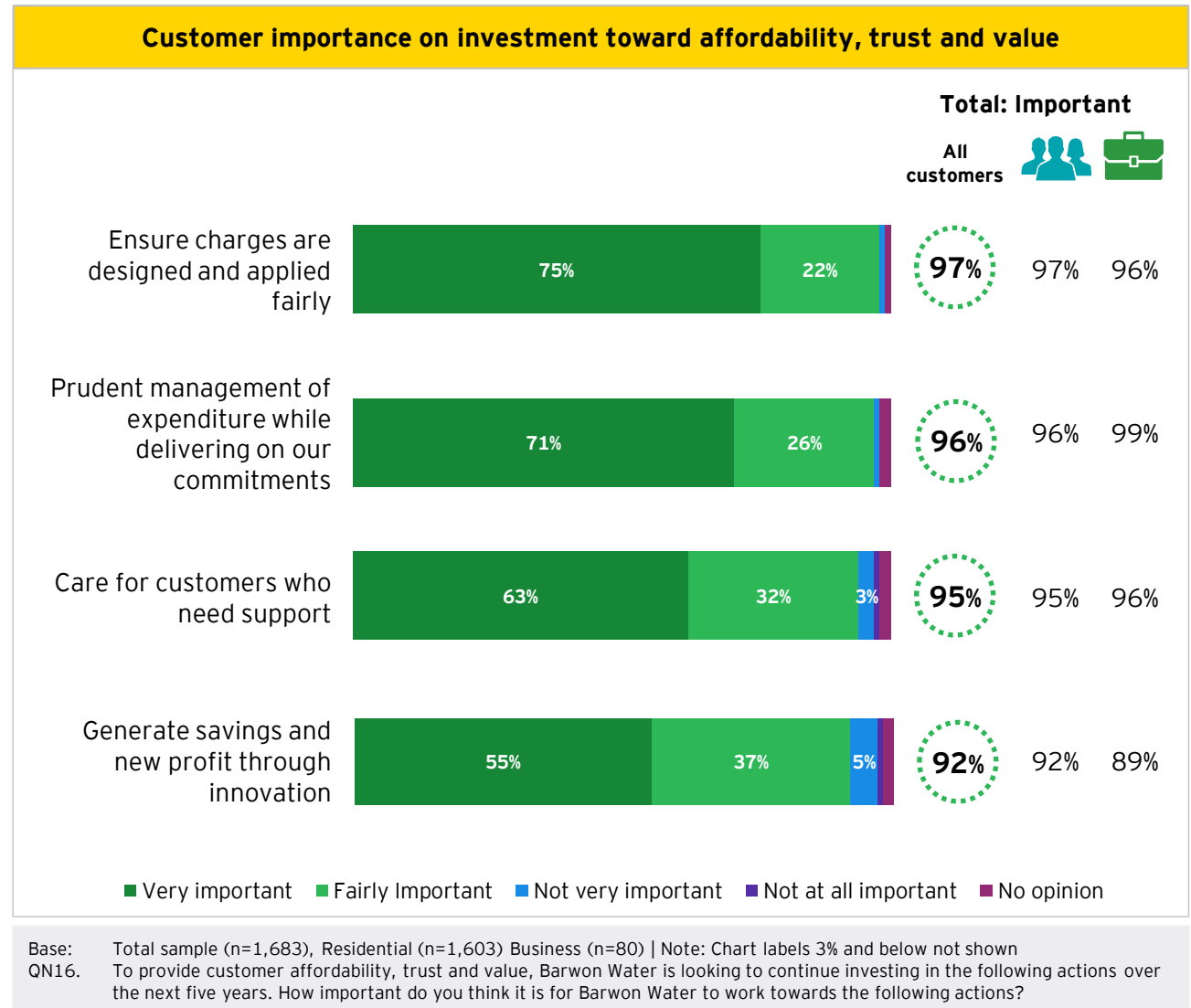
There are several key areas contributing to trust in Barwon Water

The concept of trust was unpacked in the qualitative research and can be divided into multiple themes...



Prudent and fair financial management is expected, with a safety net for those that need one

- ▶ Almost all customers seek fairness in the design and application of charges, and attach importance to Barwon Water's prudence in managing expenditure, while delivering on their commitments (97% and 96% respectively rate as these two aspects very, or fairly important).
- ▶ In the qualitative research, small and medium businesses described the challenges they have faced with COVID-19 and, as such, are very conscious of any bill rises. While they did mention that the support provided by Government has been helpful, they noted that their water rates are the same as the previous year, despite working at lower capacity.
- ▶ 95% consider it important that Barwon Water cares for customers who need support. This is a sentiment supported by the qualitative phase, whereby customers acknowledged that water is a necessity that all should have access to, regardless of their financial standing.
- ▶ The vast majority of customers consider it to be important to generate savings and new profit through innovation (92% rate important).



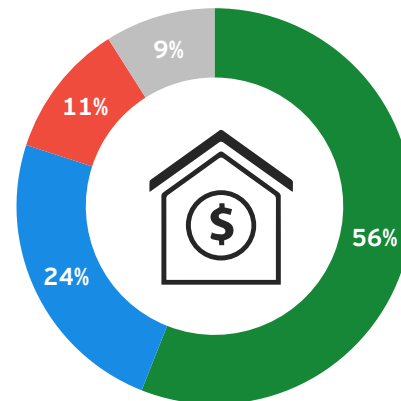
▲ ▼ Significant difference between residential and business customers

Customers are supportive of the reallocation of renter rebate funds to Barwon Water's customer support program

- ▶ Residential customers were asked their opinions about Barwon Water's proposed changes to the Transitional Rebate Adjustment program, which proposes to reallocate funds to the broader customer support program.
- ▶ Quantitatively, the majority of customers, over half (56%), support this change (five times as many as oppose the change).
- ▶ This was also supported qualitatively, whereby customers perceived this change as positive as it provides more funds and support to people who need it.
- ▶ Consideration of this issue wasn't straightforward in the qualitative research, with questions about how they are affected, who benefits, the tie in with concessions and so forth.
- ▶ In order to alleviate confusion about Barwon Water's proposed changes to the renter rebate program, it is important that these changes are well-communicated and articulated with customers in advance.

Customer support for proposed tenant rebate change

Customer support for proposed tenant rebate change...



- Support the change
- No preference
- Oppose the change
- Don't know

There are three charges to a residential owner-occupier water bill - these are: a fixed water charge, a fixed sewer charge and a water use charge.

Residential renters only pay the water use charge.

Current:

In 2018 Barwon Water changed its pricing structure in response to customers wanting more control over their bills and having an incentive to use less water.

This change meant that the fixed water charge decreased and water use charge increased. As a result of this change, renters overall water bills increased as they did not benefit from the reduced fixed charges.

To support renters through this change, Barwon Water applied a yearly rebate to help renters manage the increase in the water use charges. On average renters can receive a \$31 rebate per year.

The proposed change:

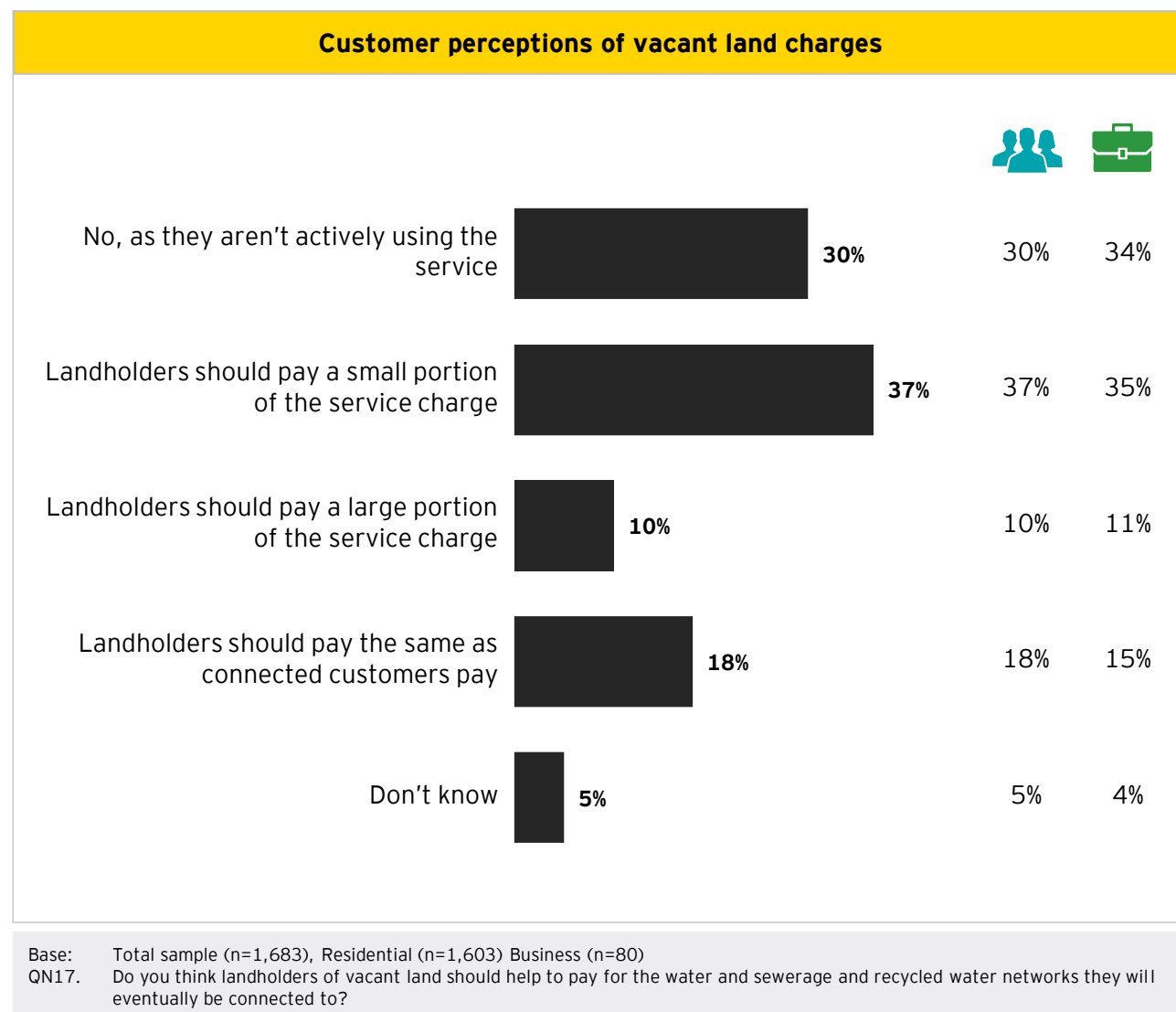
Barwon Water is reviewing this renter rebate program, and is proposing to end this rebate and re-allocate some of the funds into its broader customer support program.

This change would increase the support Barwon Water can provide to any customer needing help. For example, people who are struggling to pay their bills (including renters).

Base: Residential customer (n=1,603)
QN18. Based on this information, do you support or oppose this reallocation to our customer support program?

Onus on the landholder to pay vacant land charges

- ▶ The majority of customers see the landholder as responsible, at least in part, for vacant land charges. Almost two in three (65%) feel that the landholder should help to pay for the water, sewerage and recycled water networks they will eventually be connected to.
- ▶ Almost four in ten (37%) believe they should just pay a small portion, one in ten think they should pay a large portion (10%) and two in ten (18%) indicate they should pay the same as connected customers.
- ▶ Three in ten (30%) believe that landholders should not pay as they aren't actively using the service.



The voice of the customer: value, affordability and trust

“

My trust is a bit subconscious, therefore they are trustworthy, as I trust that I turn the tap on and its there.

Residential customer - SMEs

“

It's a responsibility... keeping their costs under control and providing the best service that they can at a reasonable cost.

Large business

“

It would be nice as a business, looking at the last two years, whether things could be reviewed and if businesses haven't been able to operate due to no fault of their own, there's something they can do for those businesses to help them out...maybe a paying it off 12 months option.

Small business

“

[Trust is about] the chemicals, the costs, doing right by us the people. Serving us with a product that is going to serve us for life. The fact we haven't had too many complications or issues means they are doing something good.

Residential customer - SMEs

“

Security of supply, it's always been there when we've turned the tap on and we've got enough trust there that we just assume that will be ongoing.

Large business

“

Beyond labour, water consumption and discharge of water is the largest cost in [our organisation]...I would certainly hope that they're operating their business as efficiently as it can be.

Large business

Quotes disclaimer: These comments were collected as part of the qualitative research and demonstrates the varied levels of customers knowledge and awareness of Barwon Water programs / investments.

Communications and interaction guidance



Communication guidance: The customer mindset is focused on the 'me', while seeing benefits for the collective

While customers understand the broader benefits of a focus on environment, there remains a key focus on personal implications. The diagram below outlines the hierarchy of considerations in the customer's mindset when it comes to future investment.



Implications for Barwon Water

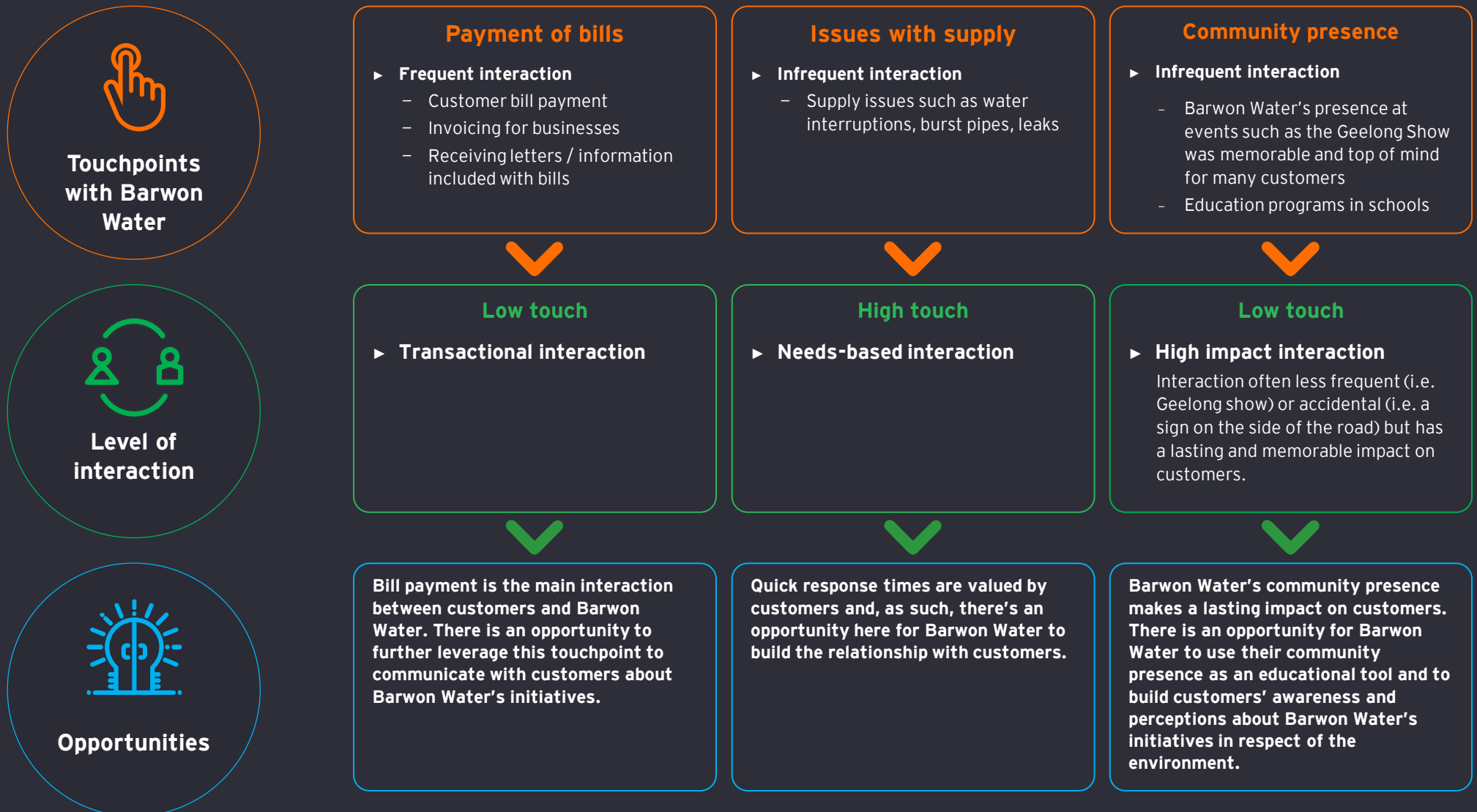
- ▶ Barwon Water should consider this mindset when developing communications for the customer base. There may be an opportunity to focus on the 'what's in it for me' angle, and lead into the broader community impact. This may help grab attention and garner support from customers on any investments made.

Articulating this thought process is...

**If you save water, you save money
and you can save the world.**







Touchpoints with Barwon Water create different opportunities

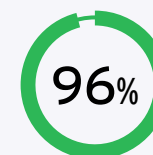


Varied needs from communications

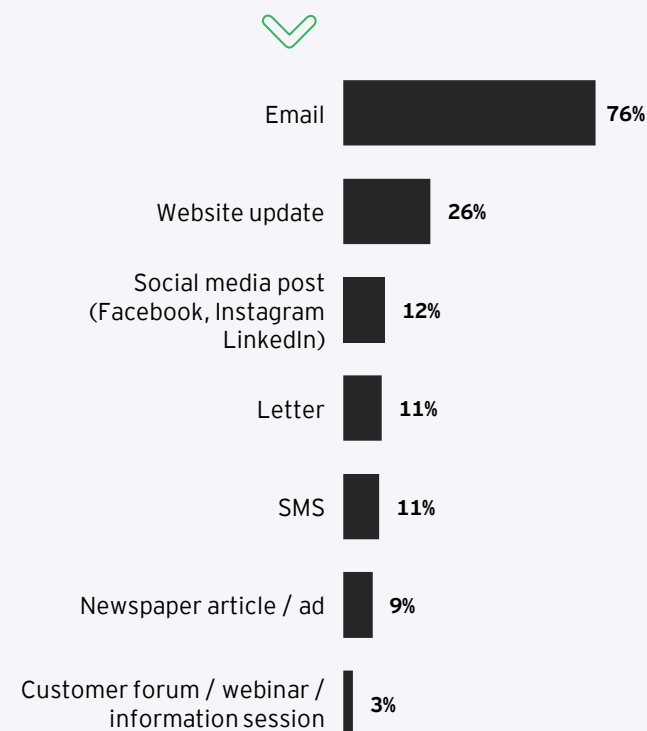
The vast majority of customers want to receive updates from Barwon Water (96%), with email being the most preferred channel of communication. The insights below provide potential additional communication opportunities for Barwon Water.

	Role in broader community	<ul style="list-style-type: none"> Customers are positive about the presence that Barwon Water has in the community, but there is a potential to dial this up to enhance perceptions. 	<ul style="list-style-type: none"> Be more present at community events, school events etc. to enhance a positive brand image among the customer base.
	Relevancy to individuals	<ul style="list-style-type: none"> Customers often consider the personal impact of any outlay, and how it may either cost them more, or enhance their experience. 	<ul style="list-style-type: none"> Ensure communications provide insight into 'what's in it for the customer'. Communicate the broader value of the work that is being done and the personal impact.
	Education initiatives	<ul style="list-style-type: none"> There is a willingness among the customer base to change behaviours to make a positive impact on water preservation. 	<ul style="list-style-type: none"> Provide tips and tricks to customers to help them learn and implement positive water saving behaviours.
	Keep customers informed	<ul style="list-style-type: none"> Celebrate the wins - customers want to know what Barwon Water is doing, and the progress towards reaching goals. 	<ul style="list-style-type: none"> Provide updates to customers on current work being done and progress made. Perhaps via bills, newsletters and/or at community events.

Preferred method of communication



Of customers want to receive updates from Barwon Water



Base: n=1,603; QN19
(Question wording provided in appendix)

The voice of the customer: relationship with Barwon Water

“

Could share more what's in the water, I think we need to know and I don't think it's all public knowledge and fully translucent.

Residential customer - SMEs

“

It would be handy if maybe twice a year they put out with the bill some information about what's happening in your area or what the major projects are.

Residential customer - Baby Boomer

“

Maybe be a bit more open about fixing pipes as sometimes you do get a chemical taste, supply filtration kits especially for families with children's and things I think its really important, is businesses are using a shared area maybe can track.

Residential customer - SMEs

“

[Their role is] to provide water that's clean when we want it, when we turn the taps on. Keeping it clean, regulating quality, maintenance, sewerage as well and notification to us if there are changes to the water quality.

Residential customer - Baby Boomer

“

We had an issue last year with a pipe that was breaking and we had guys come out very late and night and fix that, they were great with that service and I can't complain about that.

Residential customer - SMEs

“

I would like more tools and resources from BW in order to act more sustainably.

Residential customer - SMEs

“

[We] really appreciate the service we've had.

Residential customer - SMEs

Quotes disclaimer: These comments were collected as part of the qualitative research and demonstrates the varied levels of customers knowledge and awareness of Barwon Water programs / investments.

The voice of the customer: communications

“

I rely on them letting me know. Can alert us so we can start preparing for any issues upcoming.

Residential customer - Baby Boomer

“

Any sort of newsletter or email about it would be fine. I did look at the website earlier and they obviously talk about water security and things there, but it's not something that we actively seek.

Large business

“

[The website] an extra thing for me. If I was unhappy with them or there was an extra thing that I needed to know, I know I could go there and do something about it... if you need to, it's there.

Residential customer - Baby Boomer

“

We get letters if there's ever to be a service outage, just like anyone else, if there's planned maintenance or anything, but... they haven't been somebody we keep in regular touch with.

Large business

“

It would be good to see information in a very simply format when they send you the bill or email you the bill. You know, the simpler the better, rather than a great big spiel about all the great things that they may or may not be doing. [It] might just turn your attention to something they think you really should know.

Residential customer - Baby Boomer

“

[I'd like] a direct person to speak to, so one person managing the whole incident instead of moving you around to several people and having to discuss the situation over and over again.

Small business

Quotes disclaimer: These comments were collected as part of the qualitative research and demonstrates the varied levels of customers knowledge and awareness of Barwon Water programs / investments.

APPENDIX 1: Detailed analysis – willingness to pay



Customers' willingness to pay by investment type – in detail

Barwon Water presented a number initiatives to customers that are proposed to be undertaken over the coming five years. Each initiatives has been aligned to outcomes customers told Barwon Water were important to them.

- ▶ All customers were asked how much (if at all) they were willing foreach initiative
- ▶ The minimum range permitted was \$0 (not willing to pay) and the maximum amount permitted was \$5 (\$1 - \$5 are customers willing to pay).

Willingness to pay by investment type		Proportion of customers willing to pay (%)...	Average amount willing to pay (among those that would)		Average amount would pay among total customers (i.e. incl. '\$0')	
Water recycling		74%	\$4.06 average	R: 73% \$4.11 ▲ B: 80% \$3.60 ▼	\$3.00 average	R: \$3.02 B: \$2.88
Digital technology to help reduce unplanned outages and the frequency of planned outages		59%	\$3.26 average	R: 58% \$3.23 B: 69% \$3.64	\$1.92 average	R: \$1.87 ▼ B: \$2.50 ▲
Digital technology to reduce sewer spills from occurring and reduce the number of customers impacted		57%	\$3.07 average	R: 56% \$3.04 B: 65% \$3.40	\$1.75 average	R: \$1.71 ▼ B: \$2.22 ▲
Long-term investment program for un-serviced towns		57%	\$2.67 average	R: 56% \$2.59 ▼ B: 67% \$3.44 ▲	\$1.53 average	R: \$1.46 ▼ B: \$2.29 ▲
Improving customer experience		37%	\$2.27 average	R: 36% \$2.23 ▼ B: 43% \$2.73 ▲	\$0.83 average	R: \$0.80 B: \$1.17
Reducing its emissions to achieve net zero emissions by 2030		57%	\$2.99 average	R: 56% \$2.97 B: 70% \$3.21	\$1.70 average	R: \$1.65 ▼ B: \$2.26 ▲
Reducing the waste sent to landfill and increasing use of recycled products in its operations		55%	\$2.67 average	R: 54% \$2.62 ▼ B: 66% \$3.19 ▲	\$1.47 average	R: \$1.41 ▼ B: \$2.09 ▲
Collaborating with others to address regional problems		49%	\$2.45 average	R: 47% ▼ \$2.36 ▼ B: 66% ▲ \$3.15 ▲	\$1.20 average	R: \$1.12 ▼ B: \$2.08 ▲

Outcome 1: Secure, sustainable water Outcome 2: Innovate and reliable services Outcome 3: Healthier environment

Note: Outcome 4 did not test any initiative/s for additional fee

▲ ▼ Significant difference between residential and business customers

R: Residential customer
B: Business customer

APPENDIX 2: Research methodology and respondent profiles



Quantitative methodology

- ▶ The **residential** component of the research involved 1,603 online surveys conducted between 10th February and 15th March 2022.
- ▶ The **business** component of the research involved 80 surveys, of which 32 were conducted online, and 48 were conducted by telephone.
- ▶ On average the survey took 19 minutes (residential) or 20 minutes (business) to complete.
- ▶ To be eligible for participation, all respondents were:
 - Aged 18 or over
 - Current Barwon Water customers
 - Have main or shared responsibility for paying utility bills in the household or business.
- ▶ The final achieved sample structure is shown in the table opposite.

Sample approach

- ▶ Sample for the residential survey was provided by Barwon Water. The CATI survey utilised lists provided by one of EY Sweeney's leading list providers.

Weighting

Combined customer results: To streamline reporting, 'whole of customer' results are presented, with breakdowns of business and residential responses for each question (to pull apart any differences between the two audiences). This measure utilised proportions provided by Barwon Water on the Customer Base breakdown to weight the data.

Region weighting: Data for residential customers was weighted to region populations. Due to available sample and information on the region breakdown by business profiles, this cohort was not weighted by region.

Please note: Any questions too long to provide on the relevant page have been provided in the appendix.

Residential sample structure				
		No. of interviews (unweighted) #	Weighted %	¹ Max margins of error +/- (%)
TOTAL		1,603	100%	2.5
Service area*	City of Greater Geelong	1,243	78%	2.8
	Surf Coast Shire	176	10%	7.4
	Colac Otway Shire	66	6%	12.2
	Golden Plains Shire	43	4%	15.0
	Borough of Queenscliffe	41	0.5%	15.5
	Unknown	34	2%	17.0
Age	18-34 (Gen Y/Z)	240	15%	6.3
	35-49 (Gen X)	376	24%	5.0
	50-64 (Baby Boomers)	413	26%	4.8
	65+ (Gen Grey)	574	35%	4.0
Gender	Male	743	46%	3.6
	Female	814	52%	3.4
	Non-binary	5	0.3%	-
	Prefer not to disclose	41	3%	15.5

Business sample structure				
		No. of interviews (unweighted) #	Weighted %	¹ Max margins of error +/- (%)
TOTAL		80	100%	11.0
Business size	Small (1-19 employees)	53	66%	14.6
	Medium (20-199 employees)	24	30%	-
	Large (200+ employees)	3	4%	-

*Definition provided on page 63

¹Maximum margins of error shown are based on a research finding of 50% at the 95% confidence interval

Qualitative methodology

- ▶ The qualitative phase consisted of two components:
 - Six focus group discussions with residential customers and small/medium businesses
 - Four in-depth interviews with large business/major customers.
- ▶ The focus group sessions ran for approximately 90 minutes and the depth interviews for approximately 30 minutes.
- ▶ The focus groups were conducted online via VisionsLive. The in-depth interviews were conducted via Teams or phone.
- ▶ Fieldwork was conducted from 15th to 28th February 2022.

Fieldwork details and incentives

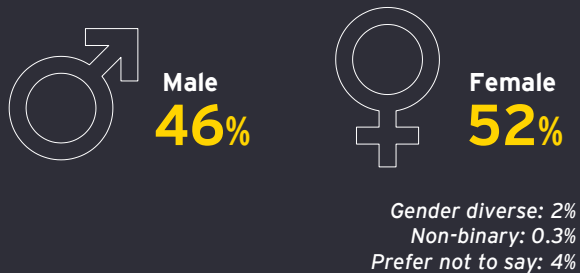
- ▶ All focus group participants were recruited through a leading recruitment specialist.
- ▶ All large business interviews were recruited by our in-house specialist team of recruiters, using a list of contacts provided by Barwon Water.
- ▶ Each participant of the focus group was provided with an incentive of \$80 for taking part. Each large business participant was provided with an incentive of \$120 for taking part.

Focus groups			
Life stage	Recruitment criteria	Focus area*	Total
Gen Y/Z 18-34 years	<ul style="list-style-type: none"> Tenants New homeowners Mix of living arrangements (including young people living in a share house) 	Outcome 2	1
Gen X 35-49 years	<ul style="list-style-type: none"> Mix of family/single/couple life stage Mix of incomes 	Outcome 3	1
Baby Boomers 50-64 years	<ul style="list-style-type: none"> Homeowners Rental providers 	Outcome 4	1
	<ul style="list-style-type: none"> Mix of incomes 	Outcome 3	1
Greys 65+ years	<ul style="list-style-type: none"> Mix of incomes 	Outcome 4	1
Small/medium businesses	<ul style="list-style-type: none"> Mix of small and medium businesses from various industries 	Outcome 2	1
TOTAL			6 x focus groups

In-depth interviews		
Large businesses	Focus area	TOTAL
Large businesses	Outcome 2	4
TOTAL		4 x depths

Quantitative respondent profile - residential

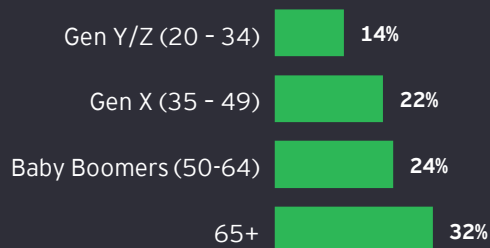
Gender



Average age



Age ranges



Service area

South
Geelong
30%

Bellarine
Peninsula
29%

North
Geelong
15%

Torquay
5%

Lorne, Aireys Inlet,
Anglesea,
Winchelsea, Moriac,
Mt Moriac
5%

Hinterland (Colac,
Birregurra,
Cressy, Alvie,
Pirron Yallock)
4%

Bannockburn, Meredith,
Anakie, Lethbridge,
Shelford, Inverleigh,
Steiglitz
4%

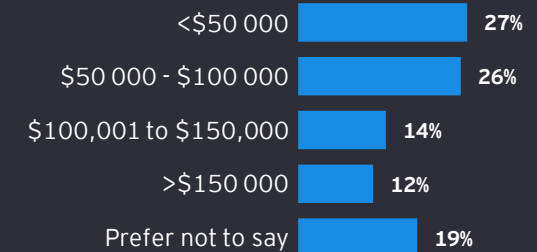
Central
Geelong
4%

Coastal (Apollo
Bay, Skenes
Creek, Forrest)
2%

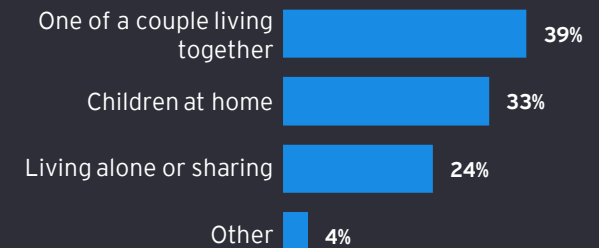
Borough of
Queenscliffe
<1%

Location definitions can be found on page X

Household income



Family status



Quantitative respondent profile - residential

Home ownership

81%

Owned outright /
on a mortgage

14%

Renting

Other: 1%
Prefer not to say: 4%

Bill responsibility

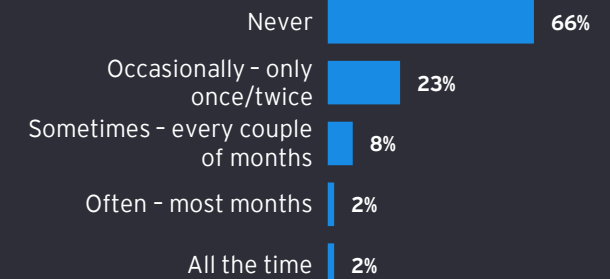
81%

Mostly/wholly
responsible

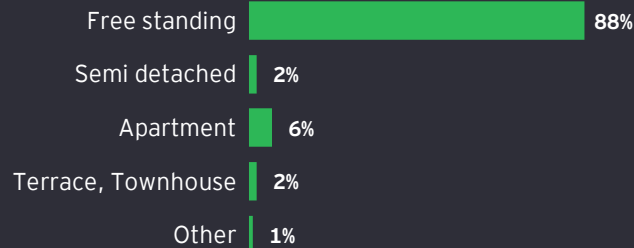
19%

Share the
responsibility

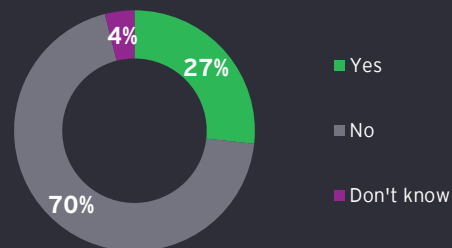
Struggled to pay bill



Type of house



Receives a concession



Quantitative respondent profile - business

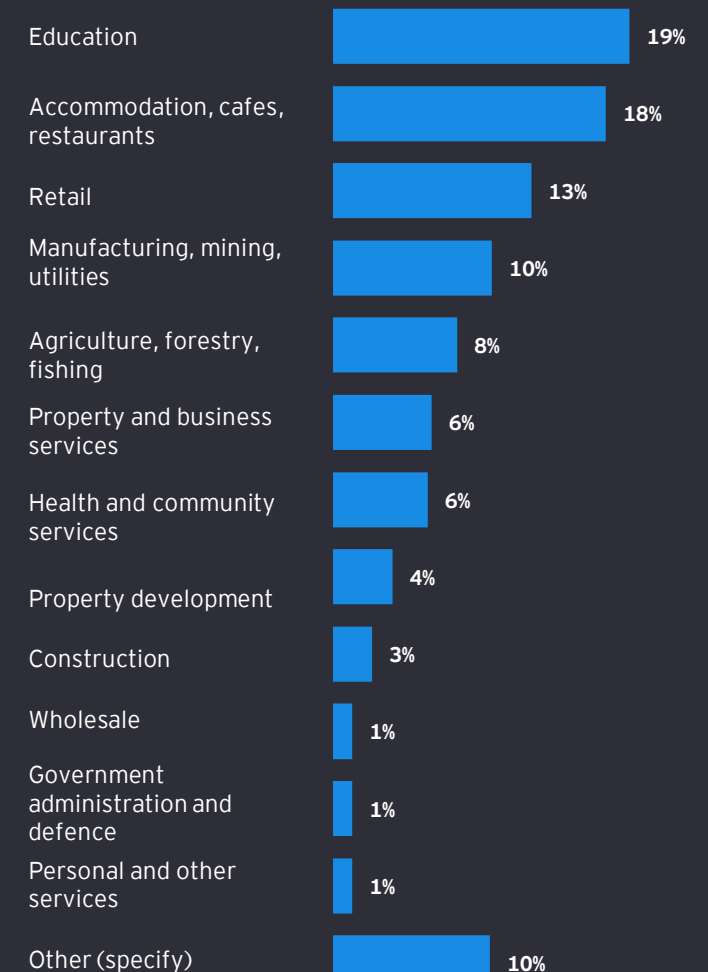
Business size

Small	Medium	Large
66%	30%	4%

Service area

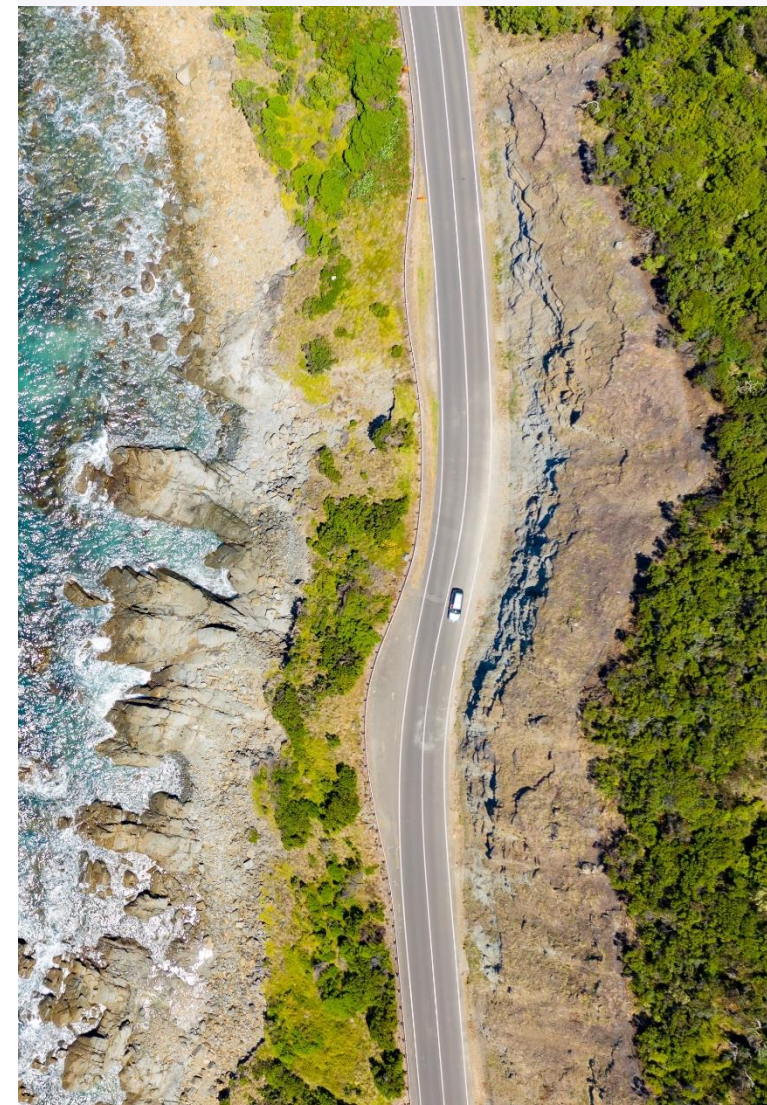
South Geelong 30%	Bellarine Peninsula 21%
Hinterland (Colac, Birregurra, Cressy, Alvie, Pirron Yallock) 12%	North Geelong 10%
Lorne, Aireys Inlet, Anglesea, Winchelsea, Moriac, Mt Moriac 7%	Torquay 7%
Bannockburn, Meredith, Anakie, Lethbridge, Shelford, Inverleigh, Steiglitz 3%	Central Geelong 1%
Coastal (Apollo Bay, Skenes Creek, Forrest) 1%	Borough of Queenscliffe 1%

Industry



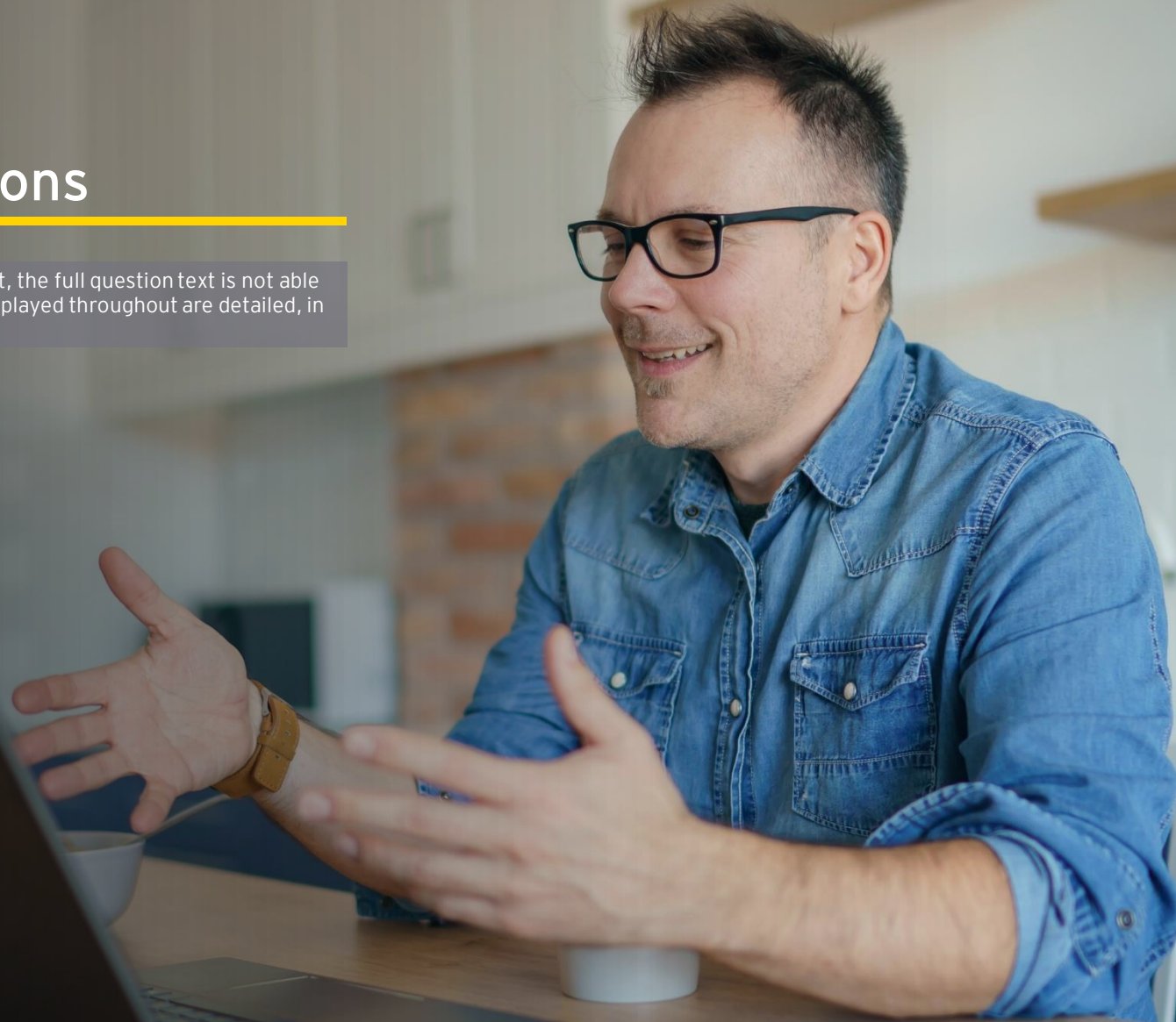
Service area definitions

Service area suburbs	
Service area	Suburbs
Colac Otway Shire	Coastal (Apollo Bay, Skenes Creek, Forrest)
	Hinterland (Colac, Birregurra, Cressy, Alvie, Pirron Yallock)
Surf Coast Shire	Torquay
	Lorne, Aireys Inlet, Anglesea, Winchelsea, Moriac, Mt Moriac
Borough of Queenscliffe	Queenscliff
Golden Plains Shire	Bannockburn, Meredith, Anakie, Lethbridge, Shelford, Inverleigh, Steiglitz
City of Greater Geelong	North Geelong, Central Geelong, South Geelong, Bellarine Peninsula



APPENDIX 3: Detailed questions

In some instances throughout the report, the full question text is not able to be displayed. All question text not displayed throughout are detailed, in full, on the following slides.



Outcome 1: safe, secure, sustainable water question list

- QN1A. To provide a secure and sustainable water future, Barwon Water is looking to continue investing in the following actions over the next five years. *How important, if at all, do you think it is for Barwon Water to work towards the following actions?*
- QN1B. Barwon Water's community recognises water is a precious resource and shouldn't be wasted. Permanent Water Saving Rules are in place all year to ensure we use water wisely. Additional water restrictions further limit your ability to water your gardens and lawns, wash your car, fill up fountains or water features and use water to clean outside your [home/business]. *Do you support, oppose, or have no preference to Barwon Water imposing additional water restrictions when it is very dry to ensure the region does not run out of water in a drought?* These restrictions are expected to be less than five per cent of the time for the next 50 years.
- QN2. If additional water restrictions were imposed at some time in the next five years, to what extent would this indicate to you that Barwon Water is failing to plan adequately to secure your water supply?
- Q10. Under which of the following circumstances do you believe the use of additional water restrictions is appropriate, if at all?
- Q11. Additional water restrictions mainly limit the extent to which you can water your garden (flower and garden beds) or lawn (open space of grass). *If required, which level of these levels of water restriction, if any, are acceptable for you?*
- QN4. By 2023, Barwon Water will have allocated an additional 1,000 megalitres (1 megalitre = 1,000,000 litres) of recycled water to productive use at a cost of \$21 million. This is in addition to previous multi-million dollar investments in recycled water treatment plants and distribution networks. Recent recycled water projects include supply for non-drinking purposes to key residential growth areas including Armstrong Creek and Torquay North, and to support agriculture, tourism, and public open spaces in Winchelsea, Birregurra, Bannockburn, North Geelong, and on the Bellarine. *How do you rate Barwon Water's current level of investment in water recycling?*
- QN5. Over the next five years, Barwon Water is committed to putting an additional 1,000 megalitres (1 megalitre = 1,000,000 litres) of recycled water to productive use at an estimated cost of \$46.3 million. New recycled water projects require additional investment so that wastewater can be treated to the right quality for its use and transported to where it is needed in a separate pipe network. *How much extra would you be willing to pay on your yearly water bill, if anything, to support Barwon Water's continued investment in water recycling?*
- QN6. By June 2028, Barwon Water will have helped customers to save an extra 1,000 megalitres (1 megalitre = 1,000,000 litres) of water by investing \$500,000 per year in various water wise programs. This equates to about 3% of the volume of drinking water supplied by Barwon Water each year. *Which of the following programs would you like to see Barwon Water offer to customers to support them using water wisely?*
- QN7. A digital water meter can help you monitor your water use, help provide information on how best to use your water and detect leaks. *Which of the following statements best describes your view on getting a digital water meter?*
- QN7B. For the past 5 years, Barwon Water has been trialling the use of digital water meters and data loggers with customers in Colac, Birregurra, Torquay and across 79 schools in our region. *Which of the following statements best describes your view on the possible roll out of digital water meters for residential and business customers?*

Outcome 2: innovative and reliable services question list

- QN8. To continue to provide innovative and reliable services, Barwon Water is looking to continue investing in the following actions over the next five years. *How important do you think it is for Barwon Water to work towards the following actions?*
- QN8A. Water supply interruptions occur when water supplied to your property is temporarily disconnected. Interruptions can be planned due to scheduled maintenance or unplanned due to an emergency. Approximately 5,540 customers experience an unplanned water supply interruption each year, and 5,972 customers experience a planned outage. Using digital technology, such as sensors and predictive analytics, would help Barwon Water to predict potential issues with the water supply network early and scheduling maintenance activities. How much extra would you be willing to pay on your yearly water bill to support, if anything, investment in digital technology to help reduce unplanned outages and the frequency of planned outages?
- QN9. A sewer spill is when sewage (wastewater from your toilet or drains) leaks into or onto your property. There are approximately 600 customers per year who experience a sewer spill. Using digital technology, such as sensors and data analytics, would help Barwon Water to identify potential issues with the sewerage network early and scheduling maintenance activities. How much extra would you be willing to pay on your yearly water bill, if anything, to support investment in digital technology to reduce sewer spills from occurring and reduce the number of customers impacted by this?
- QN10. Barwon Water cares about its customers and is committed to investing and providing a positive customer experience. Some of the benefits include:
- Improved website self-serve
 - Personalising the online experience to your needs
 - Keeping up with future technology developments.
- How much extra would you be willing to pay on your yearly water bill, if anything, to support Barwon Water's investment in improving customer experience?
- QN11. Barwon Water is reviewing the service standards it aims to provide customers and would like to know what is most important to you. Please rank three of the following service standards in order of importance, with the most important ranked 1st.
- QN12. Many towns in our service region are not connected to water and/or sewerage services. This means they rely on their own water tanks and/or septic systems for their water and wastewater needs. In some cases increased visitation and tourism is placing pressure on these existing systems, disrupting visitor experience and increasing environmental and public health risks. Over the past 5 years Barwon Water has been working with some of these towns to better understand these experiences and risks. To what extent do you support Barwon Water implementing a long-term investment program to improve water and/or sewerage services to existing un-serviced towns in order to realise environmental, social and economic benefits for our broader region?
- Q12NA. How much extra would you be willing to pay on your yearly water bill, if anything, to support Barwon Water's investment to improve water and sewerage services for those un-serviced towns?

Outcome 3: healthier environment question list

QN13. To provide a healthier environment, Barwon Water is looking to continue investing in the following actions over the next five years. How important do you think it is for Barwon Water to work towards the following actions?

QN13A. Barwon Water is on track to deliver its 100% renewable electricity target. However, there is more that needs to be done to do to reach zero emissions by 2030. Over the next five years, Barwon Water will invest in programs such as planting carbon forests (which captures and stores carbon from the air) and working with key partners to continue to reduce emissions to support a healthier environment. ['Carbon forest definition'] Planting carbon forests captures and stores carbon from the air which helps improve our environment and reduce our impact on climate change. How much extra would you be willing to pay on your yearly water bill, if anything, for Barwon Water to invest more in reducing its emissions to achieve net zero emissions by 2030?

QN14. Barwon Water has improved its waste management practices over time but there is still more to do to become a true 'zero waste' business. How much extra would you be willing to pay on your yearly water bill, if anything, for Barwon Water's continued investment in reducing the waste sent to landfill and increasing its use of recycled products in its operations?

QN15. Barwon Water has the ability to collaborate with other regional businesses and government organisations to solve challenging regional problems such as climate change, waste and rising energy costs. An example of this is the Regional Renewable Organics Network (RON) project where Barwon Water are partnering with 6 councils to solve a key problem in the recovery of food and garden waste, turning it into valuable resources like energy and soil enhancers helping keep our customer bills affordable. How much extra would you be willing to pay on your yearly water bill, if anything, to support Barwon Water collaborating with others to address these regional problems?

Outcome 4: value, affordability and trust question list

QN16. To provide customer affordability, trust and value, Barwon Water is looking to continue investing in the following actions over the next five years. How important do you think it is for Barwon Water to work towards the following actions?

QN17. Barwon Water supports new land developments (including subdivisions) where water, sewerage and recycled water services are required. While land is vacant, Barwon Water still incurs costs to maintain the water and sewerage and recycled water networks. Currently it is only the active users of the water and wastewater services (homeowners and businesses) that help to cover these costs through Barwon Water bills, not the landholders of the vacant land. Do you think landholders of vacant land should help to pay for the water and sewerage and recycled water networks they will eventually be connected to?

QN18. There are three charges to a residential owner-occupier water bill - these are: a fixed water charge, a fixed sewer charge and a water use charge. Residential renters only pay the water use charge.

Current:

In 2018 Barwon Water changed its pricing structure in response to customers wanting more control over their bills and having an incentive to use less water. This change meant that the fixed water charge decreased and water use charge increased. As a result of this change, renters overall water bills increased as they did not benefit from the reduced fixed charges. To support renters through this change, Barwon Water applied a yearly rebate to help renters manage the increase in the water use charges. On average renters can receive a \$31 rebate per year.

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The proposed change:

Barwon Water is reviewing this renter rebate program, and is proposing to end this rebate and re-allocate some of the funds into its broader customer support program. This change would increase the support Barwon Water can provide to any customer needing help. For example, people who are struggling to pay their bills(including renters).

Based on this information, do you support or oppose this reallocation to our customer support program?

Overall pricing submission question list

- QN19. Barwon Water has targets, measures and financial penalties if they don't perform or meet the targets they said they would deliver. As part of this, they provide annual performance updates on their website that share how they are tracking during each year of the five year pricing period. What is your preferred method of communication to stay informed about Barwon Waters performance, including updates on progress and projects?
- QN20. How could Barwon Water improve their services for you? (Residential customers only)
- QN21. How satisfied are you with Barwon Water? (Business customers only)
- QN22. Is there any other feedback you would like Barwon Water to consider? (Business customers only)



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